

SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 16, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Jim Sbertoli.

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

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

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	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	
Day	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. Brataas was excused from the Session of today. Ms. Piper was excused from the Session of today from 2:00 to 2:45 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 12, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, Senate File No. 1623.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1567 and 1763.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1567: A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2354, now on General Orders.

H.F. No. 1763: A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1725, 1165, 1986, 2497 and 1876. The motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2197: A bill for an act relating to taxation; imposing taxes, increasing tax rates, and dedicating tax revenues for support of nonprofit arts organizations; providing for distribution of the tax proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 290.62; 297A.02, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 297A.44, subdivision 1; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 129D.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 129D.01, is amended to

read:

129D.01 [DEFINITIONS.]

As used in this chapter, the following terms shall have the definitions given them:

(a) "Arts" means activities resulting in the artistic creation or artistic performance of works of the imagination. Artistic activities include but are not limited to the following forms: music, dance, drama, folk art, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, tape and sound recording, activities related to the presentation, performance, execution, and exhibition of the art forms, and the study of the arts and their application to the human environment;

(b) "Board" means the board of the arts;

(c) "Director" means the executive director of the board;

(d) "Sponsoring organization" means an association, corporation or other group of persons (1) providing an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and (2) qualifying as a tax-exempt organization ~~within the meaning of section 290.05, subdivision 1, clause (i) under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1991.~~

Sec. 2. [129D.06] [ARTS ORGANIZATIONS; GRANTS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in paragraphs (b) to (d) have the meanings given them.

(b) "Qualified arts organization" means a sponsoring organization as defined in section 129D.01, paragraph (d), that:

(1) has a three-year average cash revenue budget amount of at least the minimum amount;

(2) is a recipient of a grant from the board or from one of the regional arts councils in the calendar year in which application is made;

(3) has applied for a grant under this section as required by the board under section 129D.04, subdivision 1; and

(4) has been determined by the board to meet the requirements of this paragraph.

A "qualified arts organization" does not include an organization that receives any proceeds from a tax levy under section 450.25.

(c) "Three-year average cash revenue budget" means the average fiscal year cash revenue budget for arts activities for the three fiscal years preceding the year of the application, as defined and audited in accordance with standards set by the board.

(d) "Minimum amount" means \$100,000 for grants paid in calendar year 1993. For grants paid in subsequent years, the minimum amount must be adjusted for inflation by the percentage by which the Minneapolis-St. Paul consumer price index for all-urban consumers published by the United States Department of Labor for the calendar year preceding the year of the distribution exceeds the index for calendar year 1992.

Subd. 2. [GRANTS; AMOUNT.] The board shall make grants to qualified

arts organizations. The amount of the grant made to each qualified arts organization is a percentage of the arts organization's three-year average cash revenue budget. The percentage is equal to the percent of the qualified arts organization's three-year average cash revenue budget that when applied to the three-year average cash revenue budgets of all qualified arts organizations equals the amount available for distribution from the state arts account under subdivision 5.

Subd. 3. [NOTIFICATION.] *The board shall notify the state treasurer of the grants to qualified arts organizations as provided in this section. The grants shall be distributed by the state treasurer in semiannual installments no later than June 15 and December 15.*

Subd. 4. [REPORT.] *A qualified arts organization that receives a grant under this section must annually report to the board by the date required by the board the purposes for which the grant was used in the previous calendar year. The report must be in the form required by the board. The board may require that the report submitted be certified by an independent auditor or a certified public accountant.*

Subd. 5. [STATE ARTS ACCOUNT; APPROPRIATION.] *The state arts account consists of the tax proceeds credited to it by law. The funds in the account are annually appropriated to the state treasurer for distribution as follows:*

(1) *86.67 percent must be used to fund grants to qualified arts organizations as provided in subdivisions 2 and 3; and*

(2) *13.33 percent must be distributed to the regional arts councils through the board of the arts acting as a fiscal agent for the regional arts forum.*

Sec. 3. Minnesota Statutes 1990, section 290.62, is amended to read:
290.62 [DISTRIBUTION OF REVENUES.]

Subdivision 1. [GENERAL FUND; REFUNDS.] *Except as provided in subdivision 2, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:*

(1) *There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;*

(2) *There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.*

Subd. 2. [TAX ON COMPENSATION PAID TO NONRESIDENT ENTERTAINERS.] *The revenues derived from the taxes imposed on compensation of nonresident entertainers under section 290.9201, including interest and penalties, shall be deposited in the general fund and credited to the state arts account created in section 2, for distribution as provided in that section. Payment of refunds from this account must be paid as provided in subdivision 1.*

Sec. 4. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [CABLE TELEVISION SERVICES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the furnishing of cable television services under section 297A.01, subdivision 3, paragraph (g), is seven percent.

Sec. 5. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 6. [VIDEOS, TAPES, DISCS, AND RECORDS.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the sale or use of video and audio tapes, cassettes, records, and compact discs is seven percent.

Sec. 6. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 7. [AIRPORT SALES, SERVICES, AND RENTALS.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the sale or use of tangible personal property, meals, drinks, and parking services as defined in section 297A.01, subdivision 3, paragraph (i), on the premises of an airport, as defined in section 360.013, is seven percent. The seven percent rate on meals and drinks applies only if the items are served for consumption on the premises of the airport.

Sec. 7. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 8. [LODGING.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the furnishing of lodging and related services, as defined in section 297A.01, subdivision 3, paragraph (e), within the cities of St. Paul and Minneapolis is seven percent.

Sec. 8. Minnesota Statutes 1991 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), ~~and~~ (d), and (e), and subdivision 4, all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3,

paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45, except for the tax imposed under section 297A.021, shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

(e) The following revenues, including interest and penalties, must be deposited in the general fund and, after deduction of reasonable expenses for administration, credited to the state arts account created under section 2, for distribution as provided in that section:

(1) 40 percent of the revenues derived from the tax on rental motor vehicles imposed under section 297A.135; and

(2) revenues derived from the tax imposed at a rate of one percent on the furnishing of tangible personal property and services under section 297A.02, subdivisions 5 to 8.

Sec. 9. Minnesota Statutes 1991 Supplement, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, *eight percent must be credited to the state arts account created in section 2, for distribution as provided in that section,* and the remainder must be credited to the general fund.

Sec. 10. Laws 1986, chapter 396, section 5, is amended to read:

Sec. 5. [LIQUOR, LODGING, AND RESTAURANT TAXES.]

The city may, by resolution, levy in addition to taxes authorized by other law:

(1) a sales tax of not more than three percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages described in section 473.592 occurring in the downtown taxing area, provided that this tax may not be imposed if sales of intoxicating liquor and fermented malt beverages are exempt from taxation under chapter 297A;

(2) a sales tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging described in section 473.592 by a hotel or motel which has more than 50 rooms available for lodging; the tax imposed under this clause shall be at a rate that, when added to the sum of the rate of the sales tax imposed under Minnesota Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any other taxes on lodging in the city of Minneapolis, equals ~~42~~ 13 percent; and

(3) a sales tax of not more than three percent on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city that occur within the downtown taxing area.

These taxes shall be applied solely to pay costs of collection and to pay or secure the payment of any principal of, premium and interest on any bonds or any costs referred to in section 4, subdivision 3. The commissioner of revenue may enter into appropriate agreements with the city to provide for the collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes. These taxes shall be subject to the same interest penalties and enforcement provisions as the taxes imposed under section 473.592.

Sec. 11. [COMMISSIONER OF REVENUE; FORMS.]

The commissioner of revenue shall change the tax forms and instructions as necessary to ensure that the tax proceeds under sections 3 to 8 are properly computed for credit to the state arts account.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for grants made in calendar year 1993 and thereafter. Section 3 is effective June 30, 1992, for taxable years ending after that date. Sections 4 to 6, 8, and 10 are effective for sales after June 30, 1992. Section 7 is effective upon local approval by both of the cities of St. Paul and Minneapolis and compliance by both cities with Minnesota Statutes, section 645.021, subdivision 3, for sales after June 30, 1992. Section 9 is effective for net proceeds deposits made after June 30, 1992."

Delete the title and insert:

"A bill for an act relating to taxation; imposing taxes and increasing tax rates for support of nonprofit arts organizations; providing for distribution of the tax proceeds; amending Minnesota Statutes 1990, sections 129D.01; 290.62; 297A.02, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 297A.44, subdivision 1; 349A.10, subdivision 5; and Laws 1986, chapter 396, section 5; proposing coding for new law in Minnesota Statutes, chapter 129D."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1165: A bill for an act relating to animals; changing disposition of certain seized animals; amending Minnesota Statutes 1990, section 35.71, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Mr. Benson, D.D. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2206: A resolution memorializing Congress to allow doctors of chiropractic status as commissioned officers in the military.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2286: A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2289: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for the Minnesota national guard education center; appropriating money.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1590: A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribes as employers for purposes of unemployment compensation insurance contributions; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 268.06, is amended by adding a subdivision to read:

Subd. 34. [EMPLOYERS WHO ARE INDIAN TRIBAL GOVERNMENTS OR WHOLLY OWNED SUBSIDIARIES AND SUBDIVISIONS.] To the extent permissible under the laws of the United States, an Indian tribe defined in section 268.0111, subdivision 5a, and any wholly tribally-controlled subsidiaries and subdivisions shall, if elected by the tribe, be treated as a self-sustaining state and political subdivision employer for the purposes of subdivisions 25, 26, and 31, or as a nonprofit corporation

employer for purposes of subdivisions 28, 29, 30, and 33, or as an employer for which employment is exempt as though under section 268.04, subdivision 12, clause (15). Any such tribal election must be in writing to the commissioner and must agree to be bound by the election for a minimum of two years.

Sec. 2. [TEMPORARY UNEMPLOYMENT INSURANCE RATE; ABATEMENT OF PENALTY, INTEREST, AND COSTS; RED LAKE BAND.]

Notwithstanding Minnesota Statutes, section 268.06, subdivisions 2 and 3a, and to the extent permissible under the laws of the United States, the commissioner of the department of jobs and training is directed to enter into a compromise agreement with the governing body of the Red Lake Band of Chippewa Indians. The agreement shall retroactively establish and apply a zero-percentage contribution rate for each quarter of the years 1988, 1989, 1990, 1991, and 1992, for which no benefits under Minnesota Statutes, sections 268.001 to 268.25, were paid on account of employment for such tribe or for any wholly tribally-controlled subsidiaries or subdivisions thereof. For any such quarter in which benefits were paid but no contribution was made as otherwise required, the compromise agreement shall require such tribe, or such subsidiaries or subdivisions, to pay within a reasonable period of time to the Minnesota unemployment compensation fund an amount equivalent to the amount of benefits paid. All other amounts otherwise payable from such tribe or such subsidiaries or subdivisions for such period, including but not limited to, delinquent contributions, reimbursements, interest, penalties, and costs are: (1) hereby abated; and (2) such tribe and such subsidiaries or subdivisions are hereby relieved of all liability therefor. The commissioner is authorized and directed to include the abatement and relief from liability within the terms of the compromise agreement with such tribe. Any compromise agreement shall include, if permissible under the laws of the United States and as otherwise authorized by state law, the terms of participation or nonparticipation in the state's unemployment compensation program and fund by the tribe or subsidiaries or subdivisions for a minimum of two years following the date of the compromise agreement."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribal governments as employers for purposes of unemployment compensation insurance payments; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision."

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

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

S.F. No. 2274: A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 10, and by adding subdivisions; and 326.84, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1987, all real estate salespersons and all real estate brokers shall be required to successfully complete 15 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date. All salespersons and brokers shall report continuing education on an annual basis no later than June 30, 1990. Hours in excess of 15 earned in any one year may be carried forward to the following year.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive at least two hours of training every even-numbered year in courses in state and federal fair housing laws, regulations, and rules. *The commissioner shall grant a waiver of this requirement to real estate brokers and salespersons engaged solely in professional activities that do not include the sale, leasing, or management of housing. This waiver shall be granted upon written request to the commissioner.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 4, is amended to read:

Subd. 4. [LICENSEE.] "Licensee" means a residential building contractor, ~~or residential remodeler, or specialty contractor~~ licensed under sections 326.83 to 326.98.

Sec. 3. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 6, is amended to read:

Subd. 6. [PUBLIC MEMBER.] "Public member" means a person who is not, and never was, a residential ~~builder~~, *building contractor*, residential remodeler, or specialty contractor or the spouse of such person, or a person who has no, or never has had a, material financial interest in acting as a residential building contractor, *residential remodeler*, or specialty contractor or a directly related activity.

Sec. 4. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 7, is amended to read:

Subd. 7. [RESIDENTIAL REMODELER.] "*Residential remodeler*" means a person in the business of contracting or offering to contract to improve existing residential real estate *by providing two or more special skills as defined in this section.* ~~A remodeler has two or more special skills.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 8, is amended to read:

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] "Residential building contractor" means a person in the business of ~~building residential~~

~~real estate or of contracting or offering to contract to build residential real estate or improve existing residential real estate by providing two or more special skills as defined in this section.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 10, is amended to read:

Subd. 10. [SPECIALTY CONTRACTOR.] “Specialty contractor” means a person ~~other than a residential building contractor, remodeler, or material supplier~~ in the business of contracting or offering to contract to ~~make part of an improvement to residential real estate, including roofing provide one special skill as defined in this section.~~

Sec. 7. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 11. [SPECIAL SKILL.] “Special skill” means one of the following categories:

(a) [EXCAVATION.] *Excavation includes work in any of the following areas:*

- (1) *excavation;*
- (2) *trenching;*
- (3) *grading;*
- (4) *site grading; and*
- (5) *septic systems.*

(b) [MASONRY AND CONCRETE.] *Masonry and concrete includes work in any of the following areas:*

- (1) *drain systems;*
- (2) *poured walls;*
- (3) *slabs and poured-in-place footings;*
- (4) *masonry walls;*
- (5) *masonry fireplaces;*
- (6) *masonry veneer; and*
- (7) *water resistance and waterproofing.*

(c) [CARPENTRY.] *Carpentry includes work in any of the following areas:*

- (1) *rough framing;*
- (2) *finish carpentry;*
- (3) *siding;*
- (4) *doors and windows;*
- (5) *exterior covering and trim;*
- (6) *porches and decks;*
- (7) *wood foundations;*
- (8) *insulation and vapor barrier;*
- (9) *drywall installation, excluding taping and finishing;*

(10) cabinet installation; and

(11) wood floors.

(d) [INTERIOR FINISHING.] *Interior finishing includes work in any of the following areas:*

(1) floor covering;

(2) wood floors;

(3) cabinet installation;

(4) insulation and vapor barriers;

(5) counter tops;

(6) painting and decorating;

(7) ceramic, marble, and quarry tile; and

(8) ornamental guardrail and prefabricated stairs.

(e) [EXTERIOR FINISHING.] *Exterior finishing includes work in any of the following areas:*

(1) siding;

(2) doors and windows;

(3) soffit fascia and trim;

(4) exterior plaster and stucco;

(5) painting;

(6) rain carrying systems, including gutters and down spouts; and

(7) roofing.

(f) [DRYWALL AND PLASTER.] *Drywall and plaster includes work in any of the following areas:*

(1) installation;

(2) taping;

(3) finishing; and

(4) interior plaster.

(g) [ROOFING.] *Roofing includes work in any of the following areas:*

(1) roof sheathing;

(2) roof weatherproofing and insulation;

(3) repair of structural damage to roof support system, but not construction of new roof support system; and

(4) skylights.

(h) [GENERAL INSTALLATION SPECIALTIES.] *Installation includes work in any of the following areas:*

(1) garage doors and openers;

(2) pools, spas, and hot tubs;

(3) fireplaces and wood stoves;

(4) fire suppression;

(5) asphalt paving and seal coating; and

(6) manufactured home retailers and installers.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 12. [PERSON.] "Person" means a natural person, firm, partnership, corporation, or association, and the officers, directors, employees, or agents of that person.

Sec. 9. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 13. [QUALIFYING PERSON.] "Qualifying person" means the individual who fulfills the examination and education requirements for licensure on behalf of the licensee.

Sec. 10. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 14. [GROSS ANNUAL RECEIPTS.] "Gross annual receipts" means the total amount derived from contracting activities, and must not be reduced by cost of goods sold, expenses, losses, or any other amount.

Sec. 11. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 1, is amended to read:

Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] A person who offers to provide two or more special skills as defined in section 326.83 must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state as a specialty contractor for each of those special skills.

Subd. 1a. [PROHIBITION.] Except as provided in subdivision 3, no person may engage in the work of a persons required to be licensed by subdivision 1 may act or hold themselves out as residential building contractor, remodeler, or specialty contractor contractors or residential remodelers for compensation without a valid license issued by the commissioner. The commissioner shall recommend which types of one-skill competency or single special skill groups must be licensed as specialty contractors and report to the legislature by January 31, 1992, with the recommended types of specialty groups, the licensing procedures, and potential continuing education requirements.

Subd. 1b. [LICENSING CRITERIA.] The examination and education requirements for licensure under sections 326.84 to 326.98 must be fulfilled by a qualifying person designated by the potential licensee. For a sole proprietorship, the qualifying person must be the proprietor or managing employee. For a partnership, the qualifying person must be a general partner or managing employee. For a corporation, the qualifying person must be a chief executive officer or managing employee. If the qualifying person is a managing employee, the qualifying person must be an employee who is regularly employed by the licensee and is actively engaged in the classification of work for which the managing employee qualifies on behalf of the licensee. A qualifying person for a corporation may act as a qualifying person for one additional corporation if one of the following conditions exists:

(1) there is a common ownership of at least 25 percent of each licensed corporation for which the person acts in a qualifying capacity; or

(2) one corporation is a subsidiary of another corporation for which the same person acts in a qualifying capacity. "Subsidiary," as used in this section, means a corporation of which at least 25 percent is owned by the parent corporation.

Subd. 1c. [MULTIPLE LICENSES.] Any person who offers to provide two or more special skills as defined in this section must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state of Minnesota as a specialty contractor for each of those special skills.

Sec. 12. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The license requirement does not apply to:

- (1) an employee of a licensee performing work for the licensee;
- (2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;
- (3) an owner or owners of residential real estate who improve the residential real estate or who build or improve a structure on the residential real estate and who do the work themselves or jointly with the owner's own employees or agents;
- (4) an architect or engineer engaging in professional practice as defined in this chapter;
- (5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than \$2,500. The \$2,500 limit may be exceeded by the unlicensed person if the person's total gross annual receipts from projects regulated under this section do not exceed \$15,000;
- (6) a mechanical contractor, plumber, or electrician;
- (7) a person doing excavation for the installation of an on-site sewage treatment system;
- (8) all specialty contractors that were required to be licensed by the state before the effective date of Laws 1991, chapter 306, sections 7 to 22; ~~and~~
- (9) specialty contractors that are not required to be licensed, as determined by the legislature; ~~and~~
- (10) a school district, technical college, or a school district or technical college instructor acting within the scope of employment.

Sec. 13. [326.875] [NOTICE OF CHANGE.]

Written notice must be given to the commissioner by each licensee of any change in personal name, trade name, qualifying person, address, or business location not later than 15 business days after the change. The commissioner shall issue an amended license, if required, for the unexpired period.

Sec. 14. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:

- (1) Minnesota workers' compensation insurance account number;
- (2) employment insurance account number;
- (3) type of license requested;
- (4) name and address of the applicant if the applicant is a sole proprietor; ~~name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers, directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;~~

(i) name and address of the applicant's qualifying person, if other than applicant; and

(ii) if the applicant is a sole proprietorship, the name and address of the sole proprietor; if the applicant is a partnership, the name and address of each partner; if the applicant is a corporation, the name and address of each of the corporate officers, directors, and all shareholders holding more than ten percent of the outstanding stock in the corporation;

(5) whether the applicant or qualifying person has ever been licensed in this or any other state and has had a professional or vocational license refused, suspended, or revoked, or has been the subject of any administrative action;

(6) whether the applicant, qualifying person, or any of ~~its~~ the applicant's corporate or partnership directors, officers, limited or general partners, managers, or all shareholders holding more than five ten percent of the outstanding stock of the corporation has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;

(7) ~~the applicant's education and experience as they relate to the requested type of license; and~~

~~(8) the applicant's and qualifying person's business history for the past five years and whether the applicant or qualifying person has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant or qualifying person; and~~

(8) whether the qualifying person is the qualifying person for more than one licensee.

For purposes of this subdivision, "applicant" includes employees who exercise management or policy control over the company, partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ten percent of the outstanding stock of the corporation.

The commissioner may require further information as the commissioner deems appropriate to administer the provisions and further the purposes of this chapter.

Sec. 15. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 3, is amended to read:

Subd. 3. [EXAMINATION.] All ~~individual applicants~~ *qualifying persons* must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

Each examination must be designed for the specified type of license requested. The council shall advise the commissioner on the grading, monitoring, and updating of examinations.

Sec. 16. Minnesota Statutes 1991 Supplement, section 326.91, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 326.83 to 326.98.

Nothing in this section prevents the commissioner from denying, suspending, revoking, or restricting a license, or from censuring a licensee based on acts or omissions not specifically enumerated in this subdivision.

Sec. 17. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 326.83 to 326.98 who performs unlicensed work as a ~~residential building contractor, remodeler, or specialty contractor~~ is guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against ~~an unlicensed or licensed residential building contractor, remodeler, or specialty contractor~~ *any person required to be licensed under sections 326.83 to 326.98* to protect the public health, safety, and welfare.

Sec. 19. Minnesota Statutes 1991 Supplement, section 326.93, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, ~~or residential remodeler, or specialty contractor~~ upon compliance with all the provisions of sections 326.83 to 326.98.

Sec. 20. Minnesota Statutes 1991 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. [INSURANCE.] ~~Residential building contractors, remodelers, and specialty contractors~~ *Licensees* must have public liability insurance with

limits of at least \$100,000 per occurrence and \$10,000 property damage insurance. The commissioner may increase the minimum amount of insurance required based on the type of license and the annual gross receipts of the licensee for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.

Sec. 21. Minnesota Statutes 1991 Supplement, section 326.97, subdivision 1, is amended to read:

Subdivision 1. [~~APPROVAL~~ RENEWAL.] Licensees whose applications have been properly and timely filed and who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business whether or not the renewed license has been received. Application for renewal of a license is required every two years after the initial issuance. Applications are timely if received or postmarked by ~~December~~ March 15 of the year prior to the renewal year. Applications must be made on a form approved by the commissioner.

Sec. 22. Minnesota Statutes 1991 Supplement, section 326.99, is amended to read:

326.99 [INITIAL TEMPORARY LICENSES.]

Residential building contractors and residential remodelers must obtain a temporary license, which is effective as of January 1, 1992. The commissioner may stagger the temporary licenses so that approximately one-half of the licenses will expire on March 31, 1993, and the other one-half on March 31, 1994.

Sec. 23. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 326.84, subdivision 2, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; prescribing the powers and duties of the commissioner; amending Minnesota Statutes 1991 Supplement, sections 82.22, subdivision 13; 326.83, subdivisions 4, 6, 7, 8, 10, and by adding subdivisions; 326.84, subdivisions 1 and 3; 326.89, subdivisions 2 and 3; 326.91, subdivision 2; 326.92, subdivisions 1 and 3; 326.93, subdivision 1; 326.94, subdivision 2; 326.97, subdivision 1; and 326.99; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1991 Supplement, section 326.84, subdivision 2."

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

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

S.F. No. 1649: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Page 1, line 13, after the period, insert "*This report must be filed annually on December 31.*"

Pages 1 and 2, delete section 2

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

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

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

S.F. No. 2175: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex; amending Minnesota Statutes 1990, section 340A.509.

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

Delete everything after the enacting clause and insert:

"Section 1. [BLOOMINGTON; ALCOHOLIC BEVERAGES SALES.]

Notwithstanding any provision of home rule charter, ordinance, or general or special law, the city of Bloomington may not prohibit retail sale of alcoholic beverages by reason of the fact that an on-sale establishment is located within 1,000 feet of a school existing within a retail and entertainment complex and operated by more than one school district or operated by one school district as agent for one or more other school districts.

Any previously adopted city charter or ordinance contrary to the provisions herein shall only be invalid to the extent it violates this section.

Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after the city council of the city of Bloomington files a certificate of approval in compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting the city of Bloomington from prohibiting certain retail sales of alcoholic beverages."

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

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

S.F. No. 2213: A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3;

46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

FINANCIAL INSTITUTIONS

Section 1. Minnesota Statutes 1990, section 46.041, subdivision 4, is amended to read:

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the ~~state treasurer and credited by the treasurer to department of commerce to be deposited in the general fund~~, must be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 2. Minnesota Statutes 1990, section 46.044, is amended to read:

46.044 [CHARTERS ISSUED, CONDITIONS.]

If (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the organization expenses being paid by the ~~subscribing shareholders~~ bank do not exceed ~~the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law~~ those allowed by section 46.043, (4) the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (5) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (6) the applicant, if it is an interstate bank holding company, as defined in section 48.92, has provided developmental loans as required by section 48.991, and has complied with the net new funds reporting requirements of section 48.93, the application must be granted; otherwise it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved, may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 1990, section 46.047, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state, *or a holding company which owns or otherwise controls the banking institution.*

Sec. 4. Minnesota Statutes 1990, section 46.048, subdivision 3, is amended to read:

Subd. 3. [BACKGROUND CHECKS.] In addition to any other information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2 *and Public Law Number 92-544.*

Sec. 5. Minnesota Statutes 1990, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the Federal Deposit Insurance Corporation, ~~the Federal Savings and Loan Insurance Corporation~~ *federal office of thrift supervision, the federal home loan bank system,* the National Credit Union Administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24, ~~the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10,~~ or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 6. Minnesota Statutes 1990, section 47.10, is amended to read:

47.10 [REAL ESTATE; ACQUISITION, HOLDING.]

Subdivision 1. [AUTHORITY, APPROVAL, LIMITATIONS.] (a) Except as otherwise specially provided, the net book value of land and buildings for the transaction of the business of the corporation, including parking lots and premises leased to others, shall not be more than as follows:

(1) for a bank, trust company or stock savings association, if investment is for acquisition and improvements to establish a new bank, or is for improvements to existing property or acquisition and improvements to adjacent property, approval by the commissioner of commerce is not required

if the total investment does not exceed 50 percent of its existing capital stock and paid-in surplus. Upon written prior approval of the commissioner of commerce, a bank, trust company or stock savings association may invest in the property and improvements in clause (1) or for acquisition of non-adjacent property for expansion or future use, if the aggregate of all such investments does not exceed 75 percent of its existing capital stock and paid-in surplus;

(2) for a savings bank, 50 percent of its net surplus;

(3) for a mutual building and loan association, five percent of its net assets.

(b) For purposes of this subdivision, an intervening highway, street, road, alley, other public thoroughfare, or easement of any kind does not cause two parcels of real property to be nonadjacent.

Subd. 2. [BOOKS AND RECORDS.] With the exception of annual amortization charges which are made in accordance with generally accepted accounting principles, no state bank, trust company, savings bank, or building and loan association shall decrease the actual cost of the investment as shown on its books by a charge to any of its capital accounts unless approved by the commissioner.

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire *real* property and improvements of any nature *to it* for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association without prior written approval by the commissioner. This includes subsequent amendments and associated leasehold improvements.

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of \$25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct or indirect interest in the institution without prior written approval by the commissioner. *Each bank, trust company, savings bank, or savings association must maintain documentation of transactions with interested parties, including personal property leases and purchases or sales of under \$25,000, which demonstrates the commercial reasonableness and fair market value of the transaction.*

Sec. 7. Minnesota Statutes 1990, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office outside a radius of three miles measured in a straight line, ~~or referred from the commissioner of commerce pursuant to subdivision 2,~~ shall be approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1990, section 47.20, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$100,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage

does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan

within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, section 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wrap-around mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) ~~"Monthly index of the federal home loan mortgage corporation auction yields"~~ means the net weighted average yield of accepted offers in the eight month forward commitment program of the federal home loan mortgage corporation in a month.

(13) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(14) (13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a town-house or planned unit development, a condominium apartment, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation

residence, or residence of some other denomination.

(15) (14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 9. Minnesota Statutes 1990, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. [MAXIMUM INTEREST RATE.] (a) No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of the federal home loan mortgage corporation auction yields as compiled by the federal home loan mortgage corporation. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional or cooperative apartment loan or contract for deed made or contracted for during any calendar month is equal to the monthly index of the federal home loan mortgage corporation auction yields for the first preceding calendar month plus an additional three-eighths of one percent per annum rounded off to the next highest quarter of one percent per annum. in an amount equal to the rate of interest on 20 year obligations of the United States in effect at the end of the preceding calendar month.

(2) (b) On or before the last day of each month the commissioner of commerce shall determine, based on available statistics, the monthly index of the federal home loan mortgage corporation auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional or cooperative apartment loans or contracts for deed for the next succeeding month as defined in clause (1) paragraph (a), and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the first day of each month or as soon thereafter as practicable and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of that month. If a federal home loan mortgage corporation eight month forward commitment purchase program is not held in any month, the maximum lawful rate of interest determined by the commissioner of commerce pursuant to the last auction is the maximum lawful rate of interest through the last day of the month in which the next auction is held.

(3) (1) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

(4) (2) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward

commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional or cooperative apartment loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of clause (3) (1) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(5) (3) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 10. Minnesota Statutes 1990, section 47.20, subdivision 5, is amended to read:

Subd. 5. (a) No conventional loan or loan authorized in subdivision 1 made on or after the effective date of Laws 1977, chapter 350 shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

(b) *A precomputed conventional loan or precomputed loan authorized in subdivision 1 shall provide for a refund of the precomputed finance charge according to the actuarial method if the loan is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date. The actuarial method for the purpose of this section is the amount of interest attributable to each fully unexpired monthly installment period of the loan contract following the date of prepayment in full, calculated as if the loan was made on an interest-bearing basis at the rate of interest provided for in the note based on the assumption that all payments were made according to schedule. A precomputed loan for the purpose of this section means a loan for which the debt is expressed as a sum comprised*

of the principal amount and the amount of interest for the entire term of the loan computed actuarially in advance on the assumption that all scheduled payments will be made when due, and does not include a loan for which interest is computed from time to time by application of a rate to the unpaid principal balance, interest-bearing loans, or simple-interest loans. For the purpose of calculating a refund for precomputed loans under this section, any portion of the finance charge for extending the first payment period beyond one month may be ignored. Nothing in this section shall be considered a limitation on discount points or other finance charges charged or collected in advance, and nothing in this section shall require a refund of the charges in the event of prepayment. Nothing in this section shall be considered to supersede section 47.204.

Sec. 11. Minnesota Statutes 1990, section 47.54, is amended to read:

47.54 [NOTICES AND APPROVAL PROCEDURES.]

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of \$500. ~~If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties.~~ The applicant shall within 30 days of the receipt of the form prescribed by the commissioner publish a notice of the filing of the application in a qualified newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed detached facility is to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within 21

days, the commissioner shall fix a time, within 60 days after filing of the objection, for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commissioner in a newspaper as described in subdivision 1, at the expense of the applicant, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicant and any witnesses who may appear in favor of or against the granting of the application. The hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedures act, sections 14.001 to 14.69, governing contested cases, including the provisions of the act relating to judicial review of agency decisions. ~~consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.~~

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the detached facility is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed detached facility. If an application is contested and a hearing is granted, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the commissioner of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Subd. 4 5. [DECISION AFTER HEARING.] If upon the hearing, it appears to the commissioner that the requirements for approval contained in subdivision 2 have been met, the commissioner shall, not later than 90 days after the hearing, issue an order approving the application. If the

commissioner shall decide that the application should not be granted, the commissioner shall issue an order to that effect and forthwith give notice by certified mail to the applicant.

Subd. 5 6. [EXPIRATION AND EXTENSION OF ORDER.] If a facility is not activated within 18 months from the date of the order, the approval order automatically expires. Upon request of the applicant prior to the automatic expiration date of the order, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order is the subject of an appeal in accordance with chapter 14, the time period referred to in this section for activation of the facility and any extensions shall begin when all appeals or rights of appeal from the commissioner's order have concluded or expired.

Sec. 12. Minnesota Statutes 1990, section 47.55, is amended to read:

47.55 [EXISTING ~~FACILITY~~ BANKING FACILITIES OR BRANCHES OF SAVINGS ASSOCIATIONS.]

Subdivision 1. [BANKING FACILITIES IN OPERATION PRIOR TO MAY 1, 1971.] A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained detached facility shall be limited to operating two additional detached facilities.

Subd. 2. [FACILITIES OF BANKS OR BRANCHES OF SAVINGS ASSOCIATIONS IN OPERATION PRIOR TO ACQUISITION.] *The purchase of assets and assumption of liabilities of an existing detached facility of another bank or branch of a savings and loan association or savings bank must follow the notice and approval procedures in section 47.54 to establish and maintain a new detached facility of the acquiring bank at that location but need not obtain the consent of other banks as required by section 47.52.*

Sec. 13. Minnesota Statutes 1990, section 48.02, is amended to read:

48.02 [CAPITAL AND SURPLUS; PREPAYMENT OF CAPITAL.]

The capital and surplus of every state bank hereafter organized shall be at least \$250,000. In addition thereto undivided profits shall be provided for in such an amount as the commissioner shall determine to be adequate under the circumstances to avoid any possible impairment of capital and surplus. The total of these outlays shall be known as capital funds, and payment thereof shall be made in full, in cash or authorized securities, deposited in an approved custodial bank, and certified to the commissioner, under oath of the president, and cashier or other chief financial officer, as well as the custodial bank, before the proposed state bank shall be authorized to commence business. The capital funds of a proposed bank shall not be less than a total amount which the commissioner considers necessary, having in mind the deposit potential for such a proposed bank and current banking industry standards of capital adequacy.

Sec. 14. Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary

shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. *The financial intermediary need not confirm this information if the checking account applicant presents identification required under subdivision 2, paragraph (g), that meets the requirements of section 29.* The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Sec. 15. Minnesota Statutes 1990, section 48.89, subdivision 5, is amended to read:

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation or any other person, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Sec. 16. Minnesota Statutes 1990, section 49.34, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF BANK OR SAVINGS ASSOCIATION FOR OPERATION AS DETACHED FACILITY.] (a) Notwithstanding the geographic limitations of subdivision 1, and the distance limitations and consent requirements of section 47.52, a state bank may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if the operation of them otherwise conforms to the limitations of section 47.52.

(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility

is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c) Where the commissioner has determined that a merger, consolidation or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a state bank or, national banking association, or state or federal savings and loan association or savings bank, the limitations on location and number of detached facilities in section 47.52 shall not apply to the establishment of a detached facility directly resulting from such acquisition. The establishment of a detached facility in order to prevent the a probable failure of a bank as provided in this subdivision paragraph shall not require the written consent of banks having a principal office in the municipality in which the resulting detached facility will be located, notwithstanding the provisions of section 47.52.

The consolidation or merger under this paragraph of a capital stock savings and loan association or savings bank and a bank shall be effected in the manner provided in sections 49.33 to 49.41. A savings and loan association or savings bank that is a mutual association may be acquired directly under this paragraph through the purchase of assets and assumption of liabilities. A state bank acquiring a savings and loan association or savings bank under this paragraph must, with the approval of the commissioner of commerce, establish a reasonable date by which the bank will cease all activities conducted by the savings and loan association or savings bank that are not authorized activities for the bank.

Sec. 17. Minnesota Statutes 1990, section 52.06, subdivision 1, is amended to read:

Subdivision 1. [REPORT AND AUDIT SCHEDULE.] Credit unions shall be under the supervision of the commissioner of commerce. Each credit union shall annually, on or before January 25, file a report with the commissioner of commerce on forms supplied by the commissioner for that purpose giving such relevant information as the commissioner may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least once every 18 calendar months, by the commissioner of commerce, ~~except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by rule and approved by the commissioner.~~ Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of commerce shall be forwarded to the president, or the chair of the board if the position is so designated pursuant to section 52.09, subdivision 4, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the state treasurer \$5 for each day of its delinquency.

Sec. 18. Minnesota Statutes 1990, section 52.24, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE ACCOUNTS.] Every credit union under

the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act, or insurance from a legally constituted credit union share insurance corporation. A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union which is insured under title II of the National Credit Union Act, or by a legally constituted credit union share insurance corporation.

For purposes of this subdivision, a legally constituted credit union share insurance corporation is one approved by the commissioner or incorporated by special law enacted by this state. The approval criteria for consideration of any such corporation not incorporated by special law enacted by this state may be adopted by rule pursuant to chapter 14.

Sec. 19. Minnesota Statutes 1990, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested. The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of capital stock to each office for which a certificate has been issued, in order to comply with the capital requirements of sections 53.02 and 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly. *No change in place of business of a company to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same certificate unless all of the applicable requirements of this section have been met.*

Sec. 20. Minnesota Statutes 1990, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 21. Minnesota Statutes 1990, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if the commissioner shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the person with direct responsibility for the operation and management of the proposed office are such as to command confidence and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and *primarily for purposes other than making loans to finance the purchase of products or services, other than insurance products authorized in this chapter or chapter 62B, offered by the applicant, a person which controls or is controlled by the applicant, or a person which is controlled by persons which also control the applicant; and* (2) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least \$50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), the commissioner shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, the commissioner shall not issue a license and shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the \$250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in the commissioner's office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

There is hereby appropriated to such persons as are entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 22. Minnesota Statutes 1990, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.

When a licensee shall wish to change a place of business, the licensee shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. *No change in the place of business of a licensee to its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same license unless all of the requirements of section 56.04 have been met.*

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 23. Minnesota Statutes 1990, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of

any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail or *arranging for settlement and closing of real estate secured loans by an unrelated qualified closing agent at a location other than the licensed location.*

Sec. 24. Minnesota Statutes 1990, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 53.04, *subdivision 3a, paragraph (c), 56.01 and, 56.12, and 56.125* shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of \$4. *The reference base index for subdivision 1, paragraph (a), clause (1), and subdivision 2, paragraph (d), is December, 1990.*

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, chapter 258 as a result of earlier application of this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 25. Minnesota Statutes 1990, section 61A.09, subdivision 3, is amended to read:

Subd. 3. Group life insurance policies may be issued to cover groups of not less than ten debtors of a creditor written under a master policy issued to a creditor to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed *the greater of* the actual or scheduled amount of their indebtedness. Each application for group mortgage insurance offered prior to or at the time of loan closing shall contain a clear and conspicuous notice that the insurance is optional and is not a condition for obtaining the loan. Each person insured under a group insurance policy issued under this subdivision shall be furnished a certificate of insurance which conforms to the requirements of section 62B.06, subdivision 2, and which includes a conversion privilege permitting an insured debtor to convert, without evidence of insurability, to an individual policy of decreasing term insurance within 30 days of the date the insured debtor's group coverage is terminated for any reason other than the nonpayment of premiums. The initial amount of coverage under the individual policy shall be an amount equal to the amount of coverage terminated under the group policy and shall decrease over a term that corresponds with the scheduled term of the insured debtor's mortgage loan. The premium for the individual policy shall be the same premium the insured debtor was paying under the group policy. *If the mortgage loan provides for a variable rate of finance charge or interest, the initial rate shall be used in determining the scheduled amount of indebtedness.*

Sec. 26. Minnesota Statutes 1990, section 62B.02, is amended by adding a subdivision to read:

Subd. 8. [CREDIT TRANSACTION.] "*Credit transaction*" means a loan, installment sale, time-price sale, or lease. A lease that is a credit transaction

for the purposes of this chapter is not a credit transaction for other purposes unless other applicable law provides to the contrary.

Sec. 27. Minnesota Statutes 1990, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (1) The initial amount of credit life insurance shall not exceed the amount of principal repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater. *If the contract of indebtedness provides for a variable rate of finance charge or interest, the initial rate must be used in determining the scheduled amount of indebtedness and subsequent changes in the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.*

(2) Notwithstanding clause (1), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months shall not exceed *the greater of*: (i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two monthly payments. *If the credit transaction provides for a variable rate of finance charge or interest, the initial rate must be used in determining the scheduled amount of unpaid indebtedness and subsequent changes in the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.*

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

Sec. 28. Minnesota Statutes 1990, section 62B.04, subdivision 2, is amended to read:

Subd. 2. [CREDIT ACCIDENT AND HEALTH INSURANCE.] The total amount of periodic indemnity payable by credit accident and health insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness; and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments. *If the credit transaction provides for a variable rate of finance charge or interest, the initial rate must be used in determining the aggregate of the periodic scheduled unpaid installments of the indebtedness.*

Sec. 29. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [SECURITY.] *Beginning July 1, 1993, all drivers' licenses of any class, issued by the department, must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The department shall give preference to a driver's license design that utilizes, to the extent possible, materials that are not generally available to the public and that provide more than one level of verification.*

Sec. 30. Minnesota Statutes 1990, section 300.23, is amended to read:

300.23 [VOTING, HOW REGULATED.]

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held in an individual, corporate, or representative capacity. No stock may be voted on at an election within 20 days after its transfer on the books of the corporation. *In the case of a banking corporation, the commissioner of commerce may waive the 20-day limitation.*

Sec. 31. Minnesota Statutes 1990, section 300.52, subdivision 1, is amended to read:

Subdivision 1. [PRIOR NOTICE.] The first meeting of a corporation, except as otherwise prescribed in its certificate of incorporation *or in the case of a banking corporation as waived in writing by the commissioner of commerce*, must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose of the meeting. Unless otherwise provided in the certificate of incorporation or corporate bylaws, an annual meeting must be called and held at its principal place of business upon three weeks' published notice, signed by its secretary. No business transacted at an annual meeting not called and held as required by this subdivision is effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Sec. 32. Minnesota Statutes 1990, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) *"Qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508.*

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 4, 5, 16, 24, and 32 are effective the day following final enactment. If the effective date of section 24 is after the commissioner of commerce has made the announcement and publication required to be made on or before April 30 of each year under Minnesota Statutes, section 56.131, subdivision 4, the commissioner shall, if necessary, revise the announcement and publication to conform with section 24.

ARTICLE 2

CREDIT UNIONS

Section 1. Minnesota Statutes 1990, section 41B.19, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] (a) Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the authority in any investment authorized by this subdivision. Money on deposit in the security account may be invested in:

(1) certificates of deposit or share certificates issued by or interest-bearing time deposits with a credit union, national banking association, or a bank and trust company organized under the laws of any state;

(2) deposits secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits;

(3) qualified agricultural loans or in participation interests in qualified agricultural loans; or

(4) qualified restructured loans.

(b) The principal amount of the investment under paragraph (a), clause (1), must be fully insured by an agency of the federal ~~Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation~~ government; or if not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category

as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition.

(c) If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the authority's obligation to transfer money to the security account is limited to money then on hand in funds or accounts of the authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the authority and of administering and implementing the programs of the authority financed by the bonds.

Sec. 2. Minnesota Statutes 1990, section 47.58, subdivision 1, is amended to read:

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

(a) "Reverse mortgage loan" means a loan:

(1) Made to a borrower wherein the committed principal amount is paid to the borrower in equal or unequal installments over a period of months or years, interest is assessed, and authorized closing costs are incurred as specified in the loan agreement;

(2) Which is secured by a mortgage on residential property owned solely by the borrower; and

(3) Which is due when the committed principal amount has been fully paid to the borrower, or upon sale of the property securing the loan, or upon the death of the last surviving borrower, or upon the borrower terminating use of the property as principal residence so as to disqualify the property from the homestead credit given in chapter 290A.

(b) "Lender" means any bank subject to chapter 48, *credit union subject to chapter 52*, savings bank organized and operated pursuant to chapter 50, savings and loan association subject to chapter 51A, or any insurance company as defined in section 60A.02, subdivision 4. "Lender" also includes any federally chartered bank supervised by the comptroller of the currency or federally chartered savings and loan association supervised by the federal home loan bank board or *federally chartered credit union supervised by the National Credit Union Administration*, to the extent permitted by federal law.

(c) "Borrower" includes any natural person holding an interest in severalty or as joint tenant or tenant-in-common in the property securing a reverse mortgage loan.

(d) "Outstanding loan balance" means the current net amount of money owed by the borrower to the lender whether or not that sum is suspended pursuant to the terms of the reverse mortgage loan agreement or is immediately due and payable. The outstanding loan balance is calculated by adding the current totals of the items described in clauses (1) to (5) and subtracting the current totals of the item described in clause (6):

(1) The sum of all payments made by the lender which are necessary to clear the property securing the loan of any outstanding mortgage encumbrance or mechanics or material supplier's lien.

(2) The total disbursements made by the lender to date pursuant to the loan agreement as formulated in accordance with subdivision 3.

(3) All taxes, assessments, insurance premiums and other similar charges paid to date by the lender pursuant to subdivision 6, which charges were not reimbursed by the borrower within 60 days.

(4) All actual closing costs which the borrower has deferred, if a deferral provision is contained in the loan agreement as authorized by subdivision 7.

(5) The total accrued interest to date, as authorized by subdivision 5.

(6) All payments made by the borrower pursuant to subdivision 4.

(e) "Actual closing costs" mean reasonable charges or sums ordinarily paid at the time of closing for the following, whether or not retained by the lender:

(1) Any insurance premiums on policies covering the mortgaged property including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(2) Abstracting, title examination and search, and examination of public records related to the mortgaged property.

(3) The preparation and recording of any or all documents required by law or custom for closing a reverse mortgage loan agreement.

(4) Appraisal and survey of real property securing a reverse mortgage loan.

(5) A single service charge, which service charge shall include any consideration, not otherwise specified in this section as an "actual closing cost," paid by the borrower to the lender for or in relation to the acquisition, making, refinancing or modification of a reverse mortgage loan, and shall also include any consideration received by the lender for making a commitment for a reverse mortgage loan, whether or not an actual loan follows the commitment. The service charge shall not exceed one percent of the bona fide committed principal amount of the reverse mortgage loan.

(6) Charges and fees necessary for or related to the transfer of real property securing a reverse mortgage loan or the closing of a reverse mortgage loan agreement paid by the borrower and received by any party other than the lender.

Sec. 3. Minnesota Statutes 1990, section 48.64, is amended to read:

48.64 [DEPOSITS OF TRUST FUNDS.]

Any person, firm, or corporation appointed by a court of competent jurisdiction as representative of the estate of a deceased person, or as guardian, or any trustee of a firefighters' relief association, or any referee, receiver, or trustee appointed by a court of record in this state, may deposit funds for safekeeping and disbursing, unless otherwise directed by the court, in any bank, *credit union*, or trust company, however organized, the deposits of which are insured, in whole or in part, by *an agency of the federal Deposit Insurance Corporation government*, to the extent that the funds so deposited

are fully insured.

Sec. 4. Minnesota Statutes 1990, section 48.86, is amended to read:

48.86 [TRUST FUNDS; INVESTMENT OF ACCUMULATIONS.]

Any amount not less than \$500 received by any trust company as executor, administrator, guardian, or other trustee, or by order of court, not required for the purposes of such trust, or not to be accounted for within one year, it shall invest as soon as practicable in authorized securities either then held by it or specially procured by it; and the income, less its proper charges, shall become part of the trust estate, and the net accumulations thereon shall be likewise invested, accounted for, and allowed in the settlement of such trust.

Except as may be otherwise provided in the governing will, trust agreement, court order or other instrument, any amount in a trust account may be invested in certificates of deposit, *share certificates*, or savings accounts in any bank or banks or *credit union*, provided that such certificates of deposit, *share certificates*, or savings accounts are fully insured by *an agency of the federal deposit insurance corporation government* and receive the prevailing rate of interest on such certificates or savings accounts.

Sec. 5. Minnesota Statutes 1990, section 50.14, subdivision 13, is amended to read:

Subd. 13. Class twelve shall be (a) bonds and obligations of the Federal Home Loan Banks established by Act of Congress known as the Federal Home Loan Bank Act, approved July 23, 1932, and Acts amendatory thereto, and in bonds and obligations of the Home Owners' Loan Corporation established by Act of Congress known as the Home Owners' Loan Act of 1933, and Acts amendatory thereto.

(b) Certificates of deposits or *share certificates* of any bank, *credit union*, or trust company, however organized, the deposits of which are insured in whole or in part by *an agency of the federal Deposit Insurance Corporation government*, to the extent that such certificates of deposit or *share certificates* are fully insured.

(c) Loans secured by its own passbooks or other evidences of indebtedness.

(d) Shares, accounts, or certificates of any savings, or building and loan association, however organized, the accounts of which are insured in whole or in part by *an agency of the federal savings and loan insurance corporation government*, to the extent that such shares, accounts, or certificates are fully insured.

Sec. 6. Minnesota Statutes 1991 Supplement, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life and accident and health insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031, *to accept deposits of money from a trust fund or trust account, and to issue share certificates*;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share

or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 7. Minnesota Statutes 1990, section 80A.14, subdivision 9, is amended to read:

Subd. 9. [INVESTMENT ADVISER.] "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications, writings or electronic means, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include:

- (1) a bank, savings institution, *credit union*, or trust company;
- (2) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of that person's profession;
- (3) a broker-dealer whose performance of these services is solely incidental to the conduct of the business as a broker-dealer and who receives no special compensation for them;
- (4) a publisher of any newspaper, news column, newsletter, news magazine, or business or financial publication or service, whether communicated in hard copy form, or by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client; or
- (5) other persons not within the intent of this subdivision as the commissioner may by rule or order designate.

Sec. 8. Minnesota Statutes 1990, section 116J.8765, subdivision 4, is amended to read:

Subd. 4. [CONTROL AND INVESTMENT OF RESERVE FUND.] (a) All money credited to the reserve fund is under the exclusive control of the commissioner. The commissioner may not withdraw money from the reserve fund except as specifically provided in this subdivision and sections 116J.8766 and 116J.8768.

(b) Money in the reserve fund must be deposited by the commissioner in an account with the lender unless the commissioner determines that the lender is not in substantial compliance with the requirements of the agreement. If money in the reserve fund is not deposited by the commissioner in an account with the lender, it must be invested or reinvested by the commissioner in (1) direct obligations of the United States or the state of Minnesota or in obligations the principal and interest of which are unconditionally guaranteed by the United States or the state of Minnesota, or (2) a deposit account at a depository institution whose deposits are insured by an agency of the federal ~~Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ government.

(c) Interest or income earned on the money credited to the reserve fund is part of the reserve fund. The commissioner may withdraw at any time from the reserve fund 50 percent of all interest or income that has been credited to the reserve fund, except that after the first withdrawal the commissioner may not withdraw more than 50 percent of all interest or income that has been credited to the reserve fund since the time of the last withdrawal. Any withdrawal made under this subdivision may be made prior

to paying any claim. None of the amounts withdrawn need to be transferred back to the reserve fund. Any withdrawal under this subdivision must be credited in the capital access account.

Sec. 9. Minnesota Statutes 1990, section 118.01, subdivision 1, is amended to read:

Subdivision 1. Any bank, trust company or thrift institution authorized to do business in this state may, in lieu of the corporate or personal surety bond required to be furnished to secure deposited funds, deposit with the custodian of the funds as collateral security: (1) certificates of deposit *or share certificates* that are fully insured by *an agency of the federal* ~~Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ *government*; (2) notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein the depository is located, or within counties immediately adjoining the county in the state of Minnesota; (3) obligations which are legally authorized investments for debt service funds under section 475.66, subdivision 3; and (4) qualified state or local government obligations acceptable to the treasurer or chief financial officer. Qualified obligations must be general obligations rated "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

Sec. 10. Minnesota Statutes 1990, section 118.10, is amended to read:

118.10 [DEPOSITORIES INSURED UNDER FEDERAL ACT EXCUSED FROM GIVING SECURITY TO EXTENT OF INSURANCE COVERAGE.]

No bank, *credit union*, or trust company authorized to do a ~~banking~~ business in this state, designated as a depository of state, county, town, school district, hospital district, or county sanitarium commission funds, and cities howsoever organized, as provided by law, the deposits of which bank, *credit union*, or trust company are insured in whole or in part ~~under the provisions of the act of Congress of the United States of June 16, 1933, creating by an agency of the federal~~ *Deposit Insurance Corporation and the temporary federal deposit insurance fund government*, shall be required to furnish any corporate or personal surety bond, or deposit any collateral in lieu of bond, to secure such funds, in so far as such funds ~~shall constitute "insured deposit liabilities" of such bank or trust company within the provisions of that act of Congress are insured as provided herein.~~ Nothing in this section shall be construed to release any bank or trust company from furnishing surety bond or collateral for all deposits in excess of the insurance afforded by the ~~national banking act~~ *agency of the federal government insuring the deposit.*

Sec. 11. Minnesota Statutes 1990, section 136.31, subdivision 6, is amended to read:

Subd. 6. In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution *or credit union* within or without the state, whose deposits are insured by *an agency of the federal* ~~Deposit Insurance Corporation~~ *government* and whose combined capital and surplus is not less than one

million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date; and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks or credit unions designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded; and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding revenue bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.

Sec. 12. Minnesota Statutes 1990, section 356A.06, subdivision 6, is amended to read:

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

- (1) have assets with a book value in excess of \$1,000,000;
- (2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisors Act of 1940, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 4, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;
- (3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or
- (4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

- (1) certificates of deposit or share certificates issued, to the extent of available insurance or collateralization, by a financial institution that is a

member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a ~~member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ insured as provided in clause (1);

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Sec. 13. Minnesota Statutes 1990, section 427.01, is amended to read:
427.01 [DEPOSIT OF PUBLIC FUNDS.]

The council of any statutory city or of any city of the fourth class shall designate as a depository of city funds such national, state, or private banks or credit unions as it may deem proper. Except as to deposits insured by an agency of the federal ~~deposit insurance corporation~~ government or protected by collateral or a corporate surety bond furnished under section 118.01, each shall give bond to the municipality in at least double the amount authorized to be deposited therein, to be approved by the council, conditioned to repay all sums deposited therein upon proper demand therefor or at such time, not exceeding one year, as fixed by the terms of the deposit, and for the performance of such other duties as the council may require. The council shall require the city treasurer to deposit all or any part of the

public funds in hand in such banks or credit unions and to withdraw the same when so directed. All the terms and conditions of deposit shall be set forth in the resolution designating the several depositories, which resolution shall be filed with the clerk or recorder. The treasurer shall not be liable on the treasurer's bond for any money so deposited by direction of the council and lost through the failure, bankruptcy, or other default of the bank or credit union. All interest accruing upon these deposits shall belong to the city.

Sec. 14. Minnesota Statutes 1990, section 446A.11, subdivision 9, is amended to read:

Subd. 9. [INVESTMENTS.] (a) It may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by an agency of the federal Savings and Loan Insurance Corporation government or to be deposited in a savings or other account in a bank or credit union insured by an agency of the federal deposit insurance corporation government or to be invested in time certificates of deposit or share certificates issued by a bank or credit union insured by an agency of the federal Deposit Insurance Corporation government and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d). It may deposit money in excess of the amount insured with security as provided in chapter 118.

(b) Notwithstanding paragraph (a), it may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in investments and deposit accounts or certificates, and with security, agreed upon with the holders or a trustee for the holders.

Sec. 15. Minnesota Statutes 1990, section 475.67, subdivision 5, is amended to read:

Subd. 5. The proceeds of the refunding obligations, less any accrued interest or premium thereon required to be taken into account for purposes of meeting the debt service savings test set forth in subdivision 12 or otherwise deposited in the debt service fund established for the refunding obligations, less any amount set aside to pay the expenses of the refunding described in subdivision 12, shall be deposited, together with any other funds available and appropriated by the governing body for the purpose, in escrow with a suitable banking institution or credit union within or without the state, whose deposits are insured by an agency of the federal Deposit Insurance Corporation government, and whose combined capital and surplus is not less than \$500,000.

ARTICLE 3

DETACHED BANKING FACILITIES

Section 1. [CITY OF DULUTH; DETACHED BANKING FACILITIES.]

With the prior approval of the commissioner of commerce, a bank with its principal office in the city of Duluth may establish and maintain three detached facilities located within the city of Duluth, in addition to the detached facilities authorized by Minnesota Statutes, section 47.52, paragraph (a). A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The

establishment of a detached facility pursuant to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 2. [CITY OF MILLVILLE; DETACHED FACILITIES.]

The limitation contained in Minnesota Statutes, section 47.52, on the number of detached facilities that may be established and maintained by a bank does not apply to any detached facilities located in the city of Millville.

Sec. 3. [CITY OF DOVER; DETACHED FACILITIES.]

The limitation contained in Minnesota Statutes, section 47.52, on the number of detached facilities that may be established and maintained by a bank does not apply to any detached facilities located in the city of Dover.

Sec. 4. [TOWN OF NEW SCANDIA; DETACHED BANKING FACILITIES.]

With the prior approval of the commissioner of commerce, a bank operating its main office within ten miles of the town of New Scandia may establish and maintain not more than one detached facility in the town of New Scandia. A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility pursuant to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 5. [LOCAL APPROVAL.]

Section 2 takes effect the day after compliance by the governing body of the city of Millville with Minnesota Statutes, section 645.021, subdivision 3.

Section 3 takes effect the day after compliance by the governing body of the city of Dover with Minnesota Statutes, section 645.021, subdivision 3.

Section 4 takes effect the day after compliance by the town board of the town of New Scandia with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 4

REAL ESTATE APPRAISERS

Section 1. Minnesota Statutes 1991 Supplement, section 82B.11, subdivision 3, is amended to read:

Subd. 3. [FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] A federal residential real property appraiser may appraise noncomplex one to four residential units *or agricultural property* having a transaction value less than \$1,000,000 and complex one to four residential units *or agricultural property* having a transaction value less than \$250,000.

Sec. 2. Minnesota Statutes 1991 Supplement, section 82B.11, subdivision 4, is amended to read:

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] A certified federal residential real property appraiser may appraise one to four residential units *or agricultural property* without regard to transaction value or complexity.

Sec. 3. Minnesota Statutes 1990, section 82B.13, as amended by Laws

1991, chapter 97, sections 5, 6, 7, and 17, is amended to read:

82B.13 [EXAMINATION EDUCATION PREREQUISITES.]

Subdivision 1. [STATE REAL PROPERTY APPRAISER OR FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a state real property appraiser or federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 75 classroom hours of courses. The courses must consist of 60 hours of general real estate appraisal principles and 15 hours related to standards of professional appraisal practice and the provisions of this chapter.

Subd. 3. [COMMISSIONER'S APPROVAL; RULES.] The courses and instruction and procedures of courses must be approved by the commissioner. The commissioner may adopt rules to administer this section. These rules must, to the extent practicable, conform to the rules adopted for real estate and insurance education.

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a certified federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.

Subd. 5. [CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a certified federal general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of nonresidential properties.

Sec. 4. Minnesota Statutes 1991 Supplement, section 82B.14, is amended to read:

82B.14 [EXPERIENCE REQUIREMENT.]

(a) A license under section 82B.11, subdivision 3, 4, or 5, may not be issued to a person who does not have the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. ~~This experience, or the equivalent of this experience, must be acquired within a period of five years immediately preceding the filing of the application for licensing.~~

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; requiring drivers' licenses to be less susceptible to alteration; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; authorizing the establishment of additional detached facilities in the cities of Duluth, Dover, Millville, and New Scandia; modifying real estate appraiser requirements; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.54; 47.55; 47.58, subdivision 1; 48.02; 48.64; 48.86; 48.89, subdivision 5; 49.34, subdivision 2; 50.14, subdivision 13; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; 80A.14, subdivision 9; 82B.13, as amended; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 171.07, by adding a subdivision; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; 356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, sections 48.512, subdivision 4; 52.04, subdivision 1; 82B.11, subdivisions 3 and 4; and 82B.14; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5."

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

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1921: A bill for an act relating to drivers' licenses; increasing fees; amending Minnesota Statutes 1990, section 171.06, subdivisions 2 and 4.

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

Page 1, line 11, delete "*C-\$17*" and insert "*C-\$16*" and delete "*CC-\$21*" and insert "*CC-\$20*" and delete "*B-\$28*" and insert "*B-\$27*" and delete "*A-\$36*" and insert "*A-\$35*"

Page 1, line 13, delete "*C-\$17*" and insert "*C-\$16*" and delete "*CC-\$21*" and insert "*CC-\$20*" and delete "*B-\$28*" and insert "*B-\$27*" and delete "*A-\$16*" and insert "*A-\$15*"

Page 1, line 15, delete "\$ 8" and insert "\$ 7"

Page 1, line 17, delete "\$ 6.50" and insert "\$ 5.50"

Page 1, line 21, delete "\$11" and insert "\$10"

Page 2, line 4, strike "all"

Page 2, lines 7 and 22, delete "\$3" and insert "\$2"

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

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1784: A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1668: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, section 204B.45, subdivisions 1 and 2.

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

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1990, section 365.51, subdivision 1, is amended to read:

Subdivision 1. [WHEN; BAD WEATHER.] A town's annual town meeting must be held on the second Tuesday of March at the place named by the last annual town meeting. If no place was named then, the meeting must be held at the place named by the town board. The place may be outside the town if the place is within five miles of a town boundary. If there is bad weather on the day of the meeting and election, the town board shall set the meeting and election for the third Tuesday in March. *No later than ten days prior to the annual meeting and election, the town board shall, by resolution, direct the clerk to give notice that in case of bad weather the meeting and election will be held on the third Tuesday in March.* If there is bad weather on the third Tuesday in March, the town board shall set another date for the meeting and election within 30 days of the third Tuesday in March. If the meeting and election are postponed, the notice requirements in subdivision 2 shall apply to the postponed meeting and election.

The balloting of the town election must be concluded on the same day the election is commenced."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring notice of a change of date of annual town meetings due to bad weather;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 365.51, subdivision 1"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2444: A bill for an act relating to local government; city of Hutchinson; providing for the adoption by the city of a special service district.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1376: A bill for an act relating to the city of Hibbing; providing for the size of the public utilities commission; providing for its compensation; amending Laws 1949, chapter 422, section 2, as amended.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1755: A bill for an act relating to local government; allowing the city of White Bear Lake to purchase the Manitou Ridge Golf Course from Ramsey county; amending Minnesota Statutes 1990, section 383A.07, by adding a subdivision.

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

Page 1, delete lines 9 to 24 and insert:

"Subd. 30. [COMPENSATION FOR IMPROVEMENTS TO MANITOU RIDGE GOLF COURSE.] The city of White Bear Lake shall be compensated for improvements made to the Manitou Ridge golf course. The compensation shall be paid to the city of White Bear Lake by Ramsey county in one lump sum payment of \$813,528."

Page 2, delete lines 1 to 3 and insert:

"This act is effective January 1, 1993."

Amend the title as follows:

Page 1, line 2, delete "allowing" and insert "compensating"

Page 1, line 3, delete "to purchase" and insert "by Ramsey county for improvements made to"

Page 1, line 4, delete "from Ramsey county"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2630: A bill for an act relating to counties; providing for financing of acquisition, construction, equipping, and improvement of correctional facilities; authorizing certain leasing agreements; authorizing the sale of bonds; providing for tax levies; establishing a correctional facilities fund;

amending Minnesota Statutes 1990, sections 401.02, subdivision 3; 401.05; 469.153, subdivision 2; and 641.24.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 1693: A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

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

Page 15, line 10, delete "*or the person who would*"

Page 15, line 11, delete everything before "*may*"

Page 15, line 18, after "*state*" insert "*plus attorney fees*"

Page 15, line 19, delete "*consented to or*"

Page 15, line 25, delete "*or 5*"

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

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

S.F. No. 2338: A bill for an act relating to commerce; imposing health regulations for tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

“REGULATION OF TANNING FACILITIES

Section 1. [461.16] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 11.

Subd. 2. [CONSUMER.] “Consumer” means any individual who is provided access to a tanning facility as defined in subdivision 8.

Subd. 3. [INDIVIDUAL.] “Individual” means any human being.

Subd. 4. [LOCAL GOVERNMENT UNIT.] “Local government unit” means a city, town, or county.

Subd. 5. [OPERATOR.] “Operator” means any individual designated by the tanning facility owner or tanning equipment lessee to operate or to assist and instruct the consumer in the operation and use of the tanning facility or tanning equipment.

Subd. 6. [PERSON.] “Person” means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state, or political subdivision or agency thereof, and any legal successor, representative, agent, or agency of these entities.

Subd. 7. [TANNING EQUIPMENT.] “Tanning equipment” means ultraviolet or other lamps and equipment containing such lamps intended to induce skin tanning through the irradiation of any part of the living human body with ultraviolet radiation.

Subd. 8. [TANNING FACILITY.] “Tanning facility” means any location, place, area, structure, or business or a part thereof which provides consumers access to tanning equipment. Tanning facility includes, but is not limited to, tanning salons, health clubs, apartments, or condominiums regardless of whether a fee is charged for access to the tanning equipment.

Subd. 9. [ULTRAVIOLET RADIATION.] “Ultraviolet radiation” means electromagnetic radiation with wavelengths in air between 200 nanometers and 400 nanometers.

Sec. 2. [461.17] [REGULATIONS; APPLICABILITY; EXEMPTIONS.]

Subdivision 1. [REGULATIONS; APPLICABILITY.] Each tanning facility in this state shall be constructed, operated, and maintained according to sections 1 to 11.

Subd. 2. [EXEMPTIONS.] Sections 1 to 11 do not apply to:

(a) a person who:

(1) uses equipment which emits ultraviolet radiation incidental to its normal operation; and

(2) does not use the equipment described in clause (1) to deliberately expose parts of the living human body to ultraviolet radiation for the purpose of tanning or other treatment;

(b) a physician licensed by the board of medical examiners who uses, in the practice of medicine, medical diagnostic and therapeutic equipment that emits ultraviolet radiation; and

(c) an individual who owns tanning equipment exclusively for personal, noncommercial use.

Sec. 3. [461.18] [TANNING FACILITY LICENSING.]

A local government unit may license tanning facilities operating in this state in accordance with sections 1 to 11. A county may not license tanning facilities within a city or town that licenses tanning facilities. A local government unit that licenses tanning facilities may establish fees for licensing and license renewal in an amount sufficient to cover the costs of the local government unit's licensing and inspection duties under this section. The local government may revoke or refuse to renew a license if the licensee is found to have violated sections 1 to 10. No revocation or refusal to renew a license may take effect until the licensee has been given reasonable notice of an alleged violation and has been afforded an opportunity for a hearing before a person authorized by the governing body of the local government unit to conduct the hearing. A decision that a violation has occurred must be in writing and based on the record compiled at the hearing.

Sec. 4. [461.19] [STANDARDS FOR TANNING EQUIPMENT.]

Subdivision 1. [STANDARDS FOR ALL EQUIPMENT.] (a) The tanning facility owner or operator must use only tanning equipment manufactured according to Code of Federal Regulations, title 21, section 1040.20. The exact nature of compliance must be based on the standards in effect at the time of manufacture as shown on the device identification label required by Code of Federal Regulations, title 21, section 1010.3.

(b) Each assembly of tanning equipment must be designated for use by only one consumer at a time and must be equipped with a timer that complies with Code of Federal Regulations, title 21, section 1040.20(c)(2). The maximum timer interval may not exceed the manufacturer's maximum recommended exposure time. No timer interval may have an error exceeding plus or minus ten percent of the maximum timer interval for the product.

(c) Tanning equipment must meet the National Fire Protection Association National Electrical Code and must be provided with ground fault protection on the electrical circuit.

(d) Tanning equipment must include physical barriers to protect consumers from injury induced by touching or breaking the lamps.

(e) The tanning facility owner or operator shall replace defective or burned out lamps, bulbs, or filters with a type intended for use in the affected tanning equipment as specified on the product label and having the same spectral distribution.

(f) The tanning facility owner or operator shall replace ultraviolet lamps and bulbs, which are not otherwise defective or damaged, at a frequency or after a duration of use as may be recommended by the manufacturer of the lamps and bulbs.

(g) The tanning facility owner or operator shall maintain a record of when the bulbs or lamps in each tanning booth or bed were replaced according to paragraphs (e) and (f). The owner or operator shall make this record available to consumers for their viewing.

(h) Tanning equipment must have a control that enables the user to manually terminate radiation without pulling the electrical plug or coming in contact with the ultraviolet lamp.

(i) The tanning facility operator shall instruct each user on: (1) the proper position to maintain relative to the tanning lamps; (2) the position of the

safety railing, where applicable; (3) the manual switching device to terminate radiation; and (4) maximum time of exposure.

(j) The tanning facility operator shall inspect the facility to ensure that the floors are dry before each individual's use.

(k) The tanning facility operator shall monitor the use of the facility to ensure that the interior temperature does not exceed 100 degrees Fahrenheit.

(l) The tanning facility operator shall ensure compliance with sanitizing procedures specified by the manufacturer of the tanning equipment between every user.

Subd. 2. [STANDARDS FOR STAND-UP TANNING BOOTHS.] In addition to the requirements in subdivision 1, tanning booths designed for stand-up use must comply with the following additional requirements:

(1) booths must have physical barriers or other means, such as handrails or floor markings, to indicate the proper exposure distance between ultraviolet lamps and the consumer's skin;

(2) booths must be constructed with sufficient strength and rigidity to withstand the stress of use and the impact of a falling person;

(3) access to booths must be of rigid construction; and

(4) booths must be equipped with handrails and nonslip floors.

Sec. 5. [461.20] [PROTECTIVE GOGGLES REQUIRED.]

(a) The tanning facility owner or operator shall provide protective goggles to each consumer for use during any use of tanning equipment. The protective goggles must meet the requirements of Code of Federal Regulations, title 21, section 1040.20(c)(5).

(b) Tanning facility owners and operators shall ensure that consumers wear the protective goggles required by this section. The tanning facility owner or operator shall ensure that the protective goggles required by this section are properly sanitized before each use and shall not rely upon exposure to the ultraviolet radiation produced by the tanning equipment itself to provide the sanitizing.

Sec. 6. [461.21] [POSTED WARNING REQUIRED.]

(a) The facility owner or operator shall conspicuously post the warning sign described in paragraph (b) within three feet of each tanning station. The sign must be clearly visible, not obstructed by any barrier, equipment, or other object, and must be posted so that it can be easily viewed by the consumer before energizing the tanning equipment.

(b) The warning sign required in paragraph (a) must use upper and lower case letters which are at least two inches and one inch in height, respectively, and must have the following wording:

"DANGER - ULTRAVIOLET RADIATION

-Follow instructions.

-Avoid exposure. As with natural sunlight, exposure can cause eye and skin injury and allergic reactions. Exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

**FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT
IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.**

-Medications or cosmetics may increase your sensitivity to the ultra-violet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight.

-If you do not tan in the sun, you are unlikely to tan from the use of this product.

**MAXIMUM EXPOSURE AT ANY ONE SESSION
MUST NEVER EXCEED 15 MINUTES.**

According to the research and clinical experience of the American Academy of Dermatology, exposure to ultraviolet light can cause harmful changes in the skin and other organs, including skin cancer, cataracts, impairment of the immune system, premature aging, and photosensitivity."

Sec. 7. [461.22] [NOTICE TO CONSUMER.]

The tanning facility owner or operator shall provide each consumer, prior to initial exposure at the facility, with a copy of the following warning, which shall be signed, witnessed, and dated as indicated in the warning:

"WARNING STATEMENT

This statement must be read and signed by the consumer BEFORE first exposure to ultraviolet radiation for tanning purposes at the below signed facility.

DANGER - ULTRAVIOLET RADIATION WARNING

-Follow instructions.

-Avoid exposure. As with natural sunlight, exposure can cause eye and skin injury and allergic reactions. Repeated exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

**FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT
IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.**

-Medications or cosmetics may increase your sensitivity to the ultra-violet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight.

-If you do not tan in the sun, you are unlikely to tan from the use of this product.

**MAXIMUM EXPOSURE AT ANY ONE SESSION MUST
NEVER EXCEED 15 MINUTES.**

According to the research and clinical experience of the American Academy of Dermatology, excessive or improper exposure to ultraviolet light can cause harmful changes in the skin and other organs, including skin cancer, cataracts, impairment of the immune system, premature aging, and photosensitivity.

WARNING

The radiation produced by this device causes premature wrinkling and excessive aging of the skin and may hasten the development of skin cancer or internal cancer and may cause permanent eye damage.

I have read the above warning and understand what it means before undertaking any tanning equipment exposure.

.....
*Signature of Operator of
 Tanning Facility or Equipment*

.....
Signature of Consumer

.....
Print Name of Consumer

.....
Date

OR

The consumer is illiterate and/or visually impaired and I have read the warning statement aloud and in full to the consumer in the presence of the below signed witness.

.....
*Signature of Operator of
 Tanning Facility or Equipment*

.....
Witness

.....
Date

Sec. 8. [461.23] [RECORDS AND REPORTS REQUIRED.]

(a) The tanning facility owner or operator shall maintain a record of each consumer's total number of tanning visits at the facility, and the dates and durations of tanning exposures for a period of three years after exposure.

(b) The tanning facility owner or operator shall compile a written report of actual or alleged injury from use of tanning equipment and complaints about the tanning facility within five working days after the injury occurs or after the owner or operator receives notice of the injury or complaint, whichever is sooner. The report shall be maintained for a period of not less than three years and shall be available for inspection and copying by any consumer. The report must include:

- (1) the name of the affected individual;*
- (2) the name and location of the tanning facility and identification of the specific tanning equipment involved;*
- (3) the nature of the actual or alleged injury; and*
- (4) any other information relevant to the actual or alleged injury to include the date and duration of exposure.*

(c) Within two days after compiling a report under paragraph (b), the tanning facility owner or operator must submit the report to the commissioner of health. The commissioner shall keep a record of all reports and other complaints received.

Sec. 9. [461.24] [PROHIBITED USE; CONSENT REQUIRED.]

Subdivision 1. [PROHIBITION.] The tanning facility owner or operator shall not allow anyone under the age of 16 to use tanning equipment.

Subd. 2. [CONSENT REQUIRED.] Before allowing the initial exposure at a tanning facility of a person under the age of 18, the owner or operator

shall witness the person's parent's or legal guardian's signing and dating of the warning statement required under section 7.

Sec. 10. [461.25] [PENALTIES AND DAMAGES FOR VIOLATIONS.]

Subdivision 1. [CRIMINAL PENALTY.] Any person who leases tanning equipment or who owns a tanning facility and who operates or permits the equipment or facility to be operated in noncompliance with the requirements of sections 1 to 10 is guilty of a misdemeanor.

Subd. 2. [CIVIL PENALTIES.] In addition to any other rights or remedies otherwise provided to consumers by law, any consumer who is damaged by any violation of sections 1 to 10 may bring a civil action to recover a penalty fee of no less than \$1,000 and to recover any actual, consequential, or punitive damages the court considers appropriate. Any recovery under this subdivision must include attorney fees and court costs.

Sec. 11. [461.26] [LOCAL ORDINANCE AUTHORIZATION.]

Sections 1 to 10 do not preempt a local ordinance which provides for more restrictive regulation of tanning facilities than required in sections 1 to 10."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing the local government units to regulate"

Page 1, line 5, delete "144" and insert "461"

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

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

S.F. No. 2162: A bill for an act relating to natural resources; revising certain laws concerning commercial activities related to wild animals; providing penalties; amending Minnesota Statutes 1990, sections 84.091, subdivision 3; 84.093; 94A.105, subdivisions 1, 2, 3, 4, and by adding a subdivision; 97A.215, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivisions 1, 2, and 3; 97A.475, subdivisions 19, 21, 22, and 24; 97A.505, subdivision 4; 97B.601, subdivision 2; 97B.905, subdivisions 1, 2, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1990, section 97A.105, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) a second conviction occurs within three years for violations of section 97A.425 that do not involve falsifications or intentional omissions of information required to be recorded, or attempts to conceal unlawful acts within the records; or

(4) the conviction occurs under a license not described in clause (1) or (2) or is for a violation of section 97A.425 not described in clause (3).

(b) Except for big game licenses and as otherwise provided in this section, for one year after the conviction the person may not obtain the kind of license relating to the game and fish law violation.

Sec. 2. Minnesota Statutes 1990, section 97A.425, is amended by adding a subdivision to read:

Subd. 4. [RULES.] The commissioner may adopt rules, not inconsistent with subdivisions 1 to 3, governing record keeping, reporting, and marking of specimens by taxidermists.

Sec. 3. [97A.512] [SALE OF INEDIBLE PORTIONS OF BIG GAME ANIMALS, FURBEARING ANIMALS, AND GAME BIRDS OTHER THAN MIGRATORY WATERFOWL.]

(a) Except as otherwise provided by the game and fish laws and as restricted in this section, a person may possess, transport, buy, or sell the following inedible portions of lawfully taken or acquired big game animals, furbearing animals, and game birds other than migratory waterfowl: bones, including skulls; sinews; hides; hooves; teeth; claws; and antlers.

(b) A person may not buy or sell bear paws, unless attached to the hide, or bear gallbladders.

Sec. 4. [REPORT.]

The department shall study the effects of section 3 on big game, furbearing animals, game birds other than migratory waterfowl, and law enforcement, and report the findings of the study to the legislature by November 15, 1996.

Delete the title and insert:

"A bill for an act relating to natural resources; expanding circumstances under which game and fish licenses are void for violations of law; allowing possession, transportation, purchase, or sale of certain inedible portions of wild animals; requiring a report; authorizing rules; amending Minnesota Statutes 1990, sections 97A.421, subdivision 1; and 97A.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A."

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

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

S.F. No. 2344: A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections

103F.365, subdivision 1, and by adding a subdivision; 103F.369, subdivision 1; and 103F.371; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103F.361, subdivision 2, is amended to read:

Subd. 2. [LEGISLATIVE INTENT.] It is the intent of sections 103F.361 to 103F.377 to authorize and direct the board and the counties to implement ~~this comprehensive~~ the plan for the Mississippi headwaters area.

Sec. 2. Minnesota Statutes 1990, section 103F.363, subdivision 2, is amended to read:

Subd. 2. [LEECH LAKE INDIAN RESERVATION.] Sections 103F.361 to 103F.377 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Leech Lake Indian Reservation. The ~~comprehensive plan of the board~~ and the county ordinances adopted pursuant to section 103F.369, subdivision 4, apply only to areas within the zoning jurisdiction of the counties as provided by law in effect prior to May 20, 1981.

Sec. 3. Minnesota Statutes 1990, section 103F.365, is amended by adding a subdivision to read:

Subd. 4. [PLAN.] "*Plan*" means the comprehensive land use plan approved by the board and dated July 1, 1992.

Sec. 4. Minnesota Statutes 1990, section 103F.367, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The board shall annually submit to each county for its approval an estimate of the funds it will need from that county in the next fiscal year to prepare and implement the ~~comprehensive land use~~ plan and otherwise carry out the duties imposed upon it by sections 103F.361 to 103F.377. Each county shall, upon approval of the estimate by its governing body, furnish the necessary funds to the board. The board may apply for, receive, and disburse federal, state, and other grants and donations.

Sec. 5. Minnesota Statutes 1990, section 103F.369, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF EXISTING PLAN IMPLEMENTATION REQUIRED.] The ~~comprehensive land use plan prepared by the board and approved by resolution adopted on February 12, 1981, is the comprehensive land use plan authorized by section 103F.367, subdivision 1, and shall be implemented by the board as provided in this section and section 103F.373.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2, is amended to read:

Subd. 2. [PLAN PROVIDES MINIMUM STANDARDS.] The standards set forth in the plan are the minimum standards which may be adopted by the board and by the counties for the protection and enhancement of the natural, scientific, historical, recreational and cultural values of the Mississippi River and related shoreland areas subject to the plan. Except for

forest management, fish and wildlife habitat improvement, a veterans cemetery that complies with subdivision 5, and open space recreational uses as defined in the plan, state or county lands within the boundaries established by the plan may not be offered for public sale or lease. The board with the agreement, expressed by resolution adopted after public hearing, of the county boards of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison counties may amend the plan in any way that does not reduce the minimum standards set forth in the plan ~~approved on February 12, 1981.~~

Sec. 7. Minnesota Statutes 1990, section 103F.369, subdivision 4, is amended to read:

Subd. 4. [COUNTY LAND USE ORDINANCE MUST BE CONSISTENT WITH PLAN.] The counties shall adopt land use ordinances consistent with the ~~comprehensive land use plan of the board.~~

Sec. 8. Minnesota Statutes 1990, section 103F.371, is amended to read:
103F.371 [RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.]

All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 103F.361 to 103F.377 and the ~~land use plan adopted by the board on February 12, 1981.~~ *The board shall determine whether actions comply with this section.* Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the ~~land use plan adopted by the board on February 12, 1981.~~

Sec. 9. Minnesota Statutes 1990, section 103F.373, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] To assure that the ~~comprehensive land use plan prepared by the board~~ is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;

(2) the granting of a variance from provisions of the land use ordinance; and

(3) the approval of a plat which is inconsistent with the land use ordinance.

Sec. 10. Minnesota Statutes 1990, section 103F.373, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the ~~comprehensive plan of the board.~~ In determining consistency of ordinances and ordinance amendments, the provisions of the ~~comprehensive land use plan~~ shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment

in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed.

Sec. 11. Minnesota Statutes 1990, section 103F.375, subdivision 1, is amended to read:

Subdivision 1. [MORATORIUM ON CERTAIN ACTIVITIES.] If land subject to the ~~comprehensive land use plan of the board~~ is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on:

(1) all subdivision platting and building permits on the land until zoning regulations are adopted for the land that comply with the provisions of the ~~comprehensive plan of the board~~; and

(2) construction, grading and filling, and vegetative cutting as those activities are defined in the ~~comprehensive plan~~.

Sec. 12. Minnesota Statutes 1990, section 103F.377, is amended to read:

103F.377 [BIENNIAL REPORT.]

During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 103F.361 to 103F.377. The report must include an assessment of the effectiveness of the ~~board's comprehensive land use plan~~ and its implementation in protecting and enhancing the natural, scientific, historical, recreational, and cultural values of the Mississippi River and related shorelands situated within the member counties.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective upon approval by the governing bodies of the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison, and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2."

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

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

S.F. No. 2301: A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103F.505, is amended to read:

103F.505 [PURPOSE AND POLICY.]

It is the purpose of sections 103F.505 to 103F.531 to keep certain marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters ~~and~~, drainage systems, wetlands, and locally designated priority waters, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1990, section 103F.511, is amended by adding a subdivision to read:

Subd. 8a. [RIPARIAN LAND.] "Riparian land" means lands adjacent to public waters, drainage systems, wetlands, or locally designated priority waters identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3.

Sec. 3. Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land meets the requirements of paragraphs (b) and (c).

(b) Land is eligible if the land:

(1) is marginal agricultural land;

(2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;

(3) consists of a drained wetland;

(4) is land that with a windbreak would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is ~~cropland adjacent to public waters~~ riparian land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to four acres of cropland or one acre of noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or

(10) is land on a hillside used for pasture.

(c) Eligible land under paragraph (a) must:

(1) ~~have been owned by the landowner on January 1, 1985,~~ or be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

(2) be at least five acres in size, except for a windbreak, woodlot, or

abandoned building site, or be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(3) not be set aside, enrolled or diverted under another federal or state government program; and

(4) have been in agricultural crop production for at least two of the last five years before the date of application during the period 1981 to 1985 except drained wetlands, riparian lands, woodlots, abandoned building sites, or land on a hillside used for pasture.

(d) The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.

(e) In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.

(f) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505."

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1635: A bill for an act relating to education; requiring the higher education coordinating board to prorate state grants by the number of credits taken; amending Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6.

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

Page 1, delete lines 18 to 21 and insert:

"(b) For the purpose of paragraph (a), clause (2), a private, two-year, residential, exclusively liberal arts degree-granting institution shall have its allowance for tuition and fees determined in the same manner as four-year private institutions."

Page 1, line 22, strike "students" and insert "a student"

Page 1, line 23, before the period, insert "to the actual number of credits for which the student is enrolled"

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

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

S.F. No. 2319: A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242,

subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 2173: A bill for an act relating to cemeteries; providing for additional care fund charges in the sale of certain cemetery lots; amending Minnesota Statutes 1990, section 306.15.

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

Page 2, line 9, strike "of not more than \$15"

Page 2, line 10, strike "and" and insert ". A cemetery that has a permanent care and improvement fund may also require a fund payment as provided by section 306.78. For the purpose of this section, the term "proceeds" as used in section 306.78 means the difference between the price originally paid to the cemetery for the lot or space being transferred and the cemetery's current list price for a similar lot or space. Transfer or sale to a spouse, parent, grandparent, child, or sibling of the seller or transferor would not be subject to the care fund payment required by this section. After the transfer and service charge and care fund payment, if any, has been paid to the cemetery."

Page 2, lines 11 to 18, delete the new language

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt is not approved for investment; amending Minnesota Statutes 1990, section 473.666.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 11A.24, is amended by adding a subdivision to read:

Subd. 6a. [AIR CARRIERS.] Before January 1, 1998, the board may not invest in any debt or equity securities of a corporation or other enterprise engaged in carrying passengers or freight by air if the corporate stock of the corporation is not publicly traded."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "is" and insert "or equity securities are"

Page 1, line 4, delete "section" and insert "sections 11A.24, by adding a subdivision; and"

And when so amended the bill do pass. Mr. Solon questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1986: A bill for an act relating to disabled persons; reducing fee for Minnesota identification card for physically disabled person; amending Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Mr. Mehrkens questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1899: A bill for an act relating to human services; requiring grants for demonstration programs to promote the self-sufficiency of public assistance recipients; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2117: A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1706: A bill for an act relating to education; allowing perennial migrant workers resident tuition status; amending Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7, is amended to read:

Subd. 7. [RESIDENCY RESTRICTIONS.] In calculating student enrollment for appropriations, only the following may be included:

(1) students who resided in the state for at least one calendar year prior to applying for admission;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere; and

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement;

(4) *students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers; and*

(5) *students recognized as refugees by the United States Immigration and Naturalization Service.*

If a public post-secondary institution counts a student for appropriations under clause (4) or (5), it may only charge the student resident tuition rates."

Amend the title as follows:

Page 1, line 2, delete "perennial" and insert "certain"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1888: A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided in a hospital swing bed to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2.

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

Page 2, lines 1 to 6, delete the new language and insert "*Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility.*"

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

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

S.F. No. 2475: A bill for an act relating to commerce; changing the penalty for selling tobacco to a child; adding a penalty for the purchase of or an attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivisions 1a and 3.

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

Page 1, delete section 1

Page 1, line 21, after the period, insert "*This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a*

responsible adult for training, education, research, or enforcement purposes."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "adding"

Page 1, delete line 6 and insert "subdivision 3."

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

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

S.F. No. 2572: A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

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

Page 1, line 16, delete the new language

Page 1, line 27, strike "may" and insert "must"

Page 2, lines 13 and 14, delete "*to consumers or customers in this state*"

Page 2, line 24, delete "*to consumers or customers in this state*"

Page 4, after line 23, insert:

"Sec. 7. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 8. [EXCEPTION.] This section does not apply to cultivated or natural lake or river wild rice sold at wholesale or retail outside this state."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "limiting labeling requirements to sales in Minnesota;"

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

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 878: A bill for an act relating to drivers' licenses; authorizing a showing of probable cause before cancellation of a driver's license for a seizure-related condition; amending Minnesota Statutes 1990, section 171.14.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 171.14, is amended to read:
171.14 [CANCELLATION.]

The commissioner shall have authority to cancel any driver's license upon determination that the licensee was not entitled to the issuance thereof hereunder, or that the licensee failed to give the required or correct information in the application, or committed any fraud or deceit in making such application. The commissioner may also cancel the driver's license of any person who, at the time of the cancellation, would not have been entitled to receive a license under the provisions of section 171.04.

By February 1, 1993, the commissioner shall report to the transportation committees of the senate and house of representatives on the amended rules relating to driver's license requirements for persons with diabetes. The report shall include:

- (1) an explanation of the due process procedures in the rule;*
- (2) the circumstances under which cancellation may occur;*
- (3) the number of drivers canceled under the rules and the circumstances under which cancellation occurred;*
- (4) a comparison of the number of drivers canceled under previous rules and under the amended rules; and*
- (5) any other information the commissioner deems relevant."*

Amend the title as follows:

Page 1, line 2, delete "authorizing a showing" and insert "requiring a report on driver's license rules for persons with diabetes;"

Page 1, delete line 3

Page 1, line 4, delete everything before "amending"

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

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

S.F. No. 2231: A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, section 86A.05, by adding a subdivision.

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

Page 1, line 9, delete "*shall*" and insert "*may*"

Page 1, line 10, delete "*wetlands,*" and after "*adjacent*" insert "*wetlands and*"

Page 1, line 20, after "*habitat,*" insert "*or*"

Page 1, delete lines 21 and 22

Page 1, line 23, delete "*(6)*" and insert "*(5)*"

Page 2, line 6, delete the comma

Page 2, line 7, after "access" insert "*to aquatic management areas*"

Page 2, line 9, delete "*shall minimize*"

Page 2, line 10, delete "*any*" and after "*environment*" insert "*must be minimized*"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1990, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of trade and economic development and the commissioner of trade and economic development has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for water access sites, *for aquatic management areas*, or for rest areas."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "; and 86A.09, subdivision 1"

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

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

S.F. No. 2298: A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; eliminating the requirement that metropolitan counties must appoint watershed district managers from lists of nominees submitted by towns and municipalities; making local governments subject to watershed district permit fees; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103D.311, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] (a) At least 30 days before the terms of office of the first managers named by the board expire, the county commissioners of each county ~~affected by~~ *responsible for appointing a manager to the watershed district* must meet and appoint successors.

(b) The county commissioners must meet at least 30 days before the term of office of any manager expires and appoint a successor.

(c) A vacancy occurring in an office of a manager must be filled by the appointing county board.

(d) Appointing county boards shall provide public notice before making appointments. Published notice must be given at least once by publication in a newspaper of general circulation in the watershed district at least 15 days before an appointment or reappointment is made. The notice must state that persons interested in being appointed to serve as a watershed district manager may submit their names to the county board for consideration.

Sec. 2. Minnesota Statutes 1990, section 103D.311, subdivision 3, is amended to read:

Subd. 3. [NOMINEES FOR CITY INITIATED AND METROPOLITAN WATERSHED DISTRICTS.] (a) If the establishment petition that initiated the watershed district originated from a majority of the cities within the watershed district, the county commissioners must appoint the managers from a list of persons nominated by one or more of the townships and municipalities located within the watershed district. If the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of persons nominated jointly or severally by the towns and municipalities within the district. The list must contain at least three nominees for each manager's position to be filled. The list must be submitted to the county boards affected by the watershed district at least 60 days before the manager's term of office expires. *The county commissioners may appoint any managers from towns and municipalities that fail to submit a list of nominees.*

(b) If the list is not submitted 60 days before the managers' terms of office expire, the county commissioners must appoint the managers from eligible persons residing in the watershed district.

(c) Managers of a watershed district entirely within the metropolitan area must be appointed to fairly represent the various hydrologic areas within the watershed district by residence of the manager appointed.

Sec. 3. Minnesota Statutes 1990, section 103D.335, is amended by adding a subdivision to read:

Subd. 24. [EXEMPTION FROM POLITICAL SUBDIVISION PERMIT FEES.] *A watershed district is exempt from fees charged by political subdivisions for permits required for activities conducted under subdivisions 8 to 10.*

Sec. 4. Minnesota Statutes 1990, section 103D.345, subdivision 3, is amended to read:

Subd. 3. [GOVERNMENT AGENCIES EXEMPT.] The fees in subdivisions 1 and 2 may not be charged to the *state or federal government, the state, or a political subdivision.*

Sec. 5. Minnesota Statutes 1990, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a public accountant or by the state auditor. *The annual audit must be made by a certified public accountant or the state auditor at least once every five years, or when cumulative district revenues or expenditures exceed an amount established by the board in consultation*

with the state auditor.

Sec. 6. Minnesota Statutes 1990, section 103D.535, subdivision 1, is amended to read:

Subdivision 1. [WHAT CAN BE APPEALED.] (a) Any party alone or jointly may appeal to the district court or to the board an order of the managers made in a proceeding *relating to a project* and entered in the watershed district's record that determines:

- (1) the amount of benefits determined;
- (2) the amount of damages allowed;
- (3) the allowance of fees or expenses in any proceedings;
- (4) a matter *in the proceeding* that affects a substantial right; or
- (5) an order of the managers authorizing or refusing to establish a project in whole or in part.

(b) *Actions of the managers that do not relate to projects, including actions related to permits and actions to enforce watershed district rules, are not reviewable under this section.*

Sec. 7. [103D.537] [APPEALS OF RULES, PERMIT DECISIONS, AND ORDERS NOT INVOLVING PROJECTS.]

(a) *Except as provided in section 103D.535, an interested party may appeal a rule, permit decision, or order made by the managers by a declaratory judgment action brought under chapter 555 or by appeal to the board. The decision on appeal must be based on the record made in the proceeding before the managers. An appeal of a permit decision must be filed within 30 days of the managers' decision.*

(b) *By January 1, 1993, the board shall adopt rules governing appeals to the board under paragraph (a). A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69.*

Sec. 8. Minnesota Statutes 1990, section 103D.545, is amended by adding a subdivision to read:

Subd. 3. [ATTORNEY FEES AND COSTS.] In any civil action arising from or related to a rule, order, or stipulation agreement made or a permit issued or denied by the managers under this chapter, the court may award the prevailing party reasonable attorney fees and costs."

Delete the title and insert:

"A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; modifying requirements for appointing watershed district managers; exempting watershed districts from permit fees charged by political subdivisions; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.335, by adding a subdivision; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D."

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

adopted.

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

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation; rules for stamp design contests; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; combining of licenses for private fish hatcheries and fish farms; salmon or trout possession; and muskie size limits; amending Minnesota Statutes 1990, sections 84.091, subdivision 1; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.211; 97C.305, subdivision 1; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2; repealing Minnesota Statutes 1990, section 97C.209.

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

Page 1, line 27, after "*ginseng*" insert "*roots*"

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 1990, section 84.091, subdivision 3, is amended to read:

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

- (1) for harvesting wild rice, \$12.50;
- (2) for buying and selling wild *ginseng roots*, \$5;
- (3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and
- (4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The weight of the wild rice shall be determined in its raw state."

Page 2, line 15, delete "*make*" and insert "*adopt*"

Page 3, line 5, delete "*surface*" and after "*waters*" insert "*of this state*"

Page 3, line 19, delete "*the purpose of*"

Page 3, line 21, after the second comma, insert "*and*"

Page 3, lines 22 and 23, delete "*This facility commercially raises*" and insert "*An aquatic farm may raise*"

Page 3, line 32, reinstate the stricken "2a" and delete "3"

Page 4, lines 14, 26, and 29, reinstate the stricken language and delete the new language

Pages 4 and 5, delete section 9

Page 5, line 28, delete "*Sections 9 and*" and insert "*Section*" and delete "*are*" and insert "*is*"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 3, after "vegetation" insert "and ginseng"

Page 1, lines 7 and 8, delete "salmon or trout possession;"

Page 1, line 9, delete "subdivision 1" and insert "subdivisions 1 and 3"

Page 1, lines 11 and 12, delete "97C.305, subdivision 1;"

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

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

S.F. No. 2311: A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103C.331, is amended by adding a subdivision to read:

Subd. 19. [ADMINISTRATION OF OFFICIAL CONTROLS.] A district may, under a joint powers agreement under section 471.59, accept delegation from a county or city of authority to administer soil and water conservation-related official controls, as defined in section 103B.305, subdivision 7, of the county or city as specified in the agreement. The agreement must include provisions requiring that:

(1) all costs incurred by the district in administering the controls will be reimbursed by the county or city;

(2) the district will provide notice and hearing in the same instances that the county or city would; and

(3) the county or city will provide legal advice and support when requested by the district for administration and enforcement."

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1978: A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Delete everything after the enacting clause and insert:

"Section 1. [135A.35] [VIOLENCE PREVENTION AND SEXUAL HARASSMENT TRAINING.]

By the beginning of the 1994-1995 academic year, all public post-secondary institutions must and all private post-secondary institutions are requested to have a violence prevention and sexual harassment program. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4. All faculty, staff, and students attending half-time or more must participate in the program. For the purpose of this section, "half-time" means enrollment for a minimum of eight credits per quarter or semester, or the equivalent. The higher education coordinating board shall assist the institutions in developing the programs.

Sec. 2. [135A.36] [CAMPUS SAFETY AND SECURITY.]

(a) Each public post-secondary institution must and each private post-secondary institution is requested to establish an escort service on the campus of the institution. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4.

(b) The attorney general, in consultation with the higher education coordinating board, shall assist those public and private post-secondary institutions in establishing campus safety and security programs.

Sec. 3. [CURRICULUM AND TRAINING ABOUT VIOLENCE, SEXUAL HARASSMENT, AND ABUSE.]

Subdivision 1. [SURVEY OF RELEVANCY OF INSTRUCTION.] The higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The survey shall be designed to ascertain whether the instructional programs they completed provided adequate instruction about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] Each public eligible institution must report, and each private eligible institution is requested to report, to the higher education coordinating board, current course offerings and special programs relating to the issues described in subdivision 1, clauses (1), (2), and (3). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.

Subd. 3. [IMPLEMENTATION PLAN.] The higher education coordinating board, in consultation with the boards that license occupations listed in subdivision 1, the governing boards of the University of Minnesota, the technical college, community college, and state university systems, and the

Minnesota private college council shall develop a plan indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1), (2), and (3). The plan shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2.

Subd. 4. [REPORT TO LEGISLATURE.] By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey, required by subdivision 1, the review of current programs, required by subdivision 2, and the implementation plan, required by subdivision 3.

Sec. 4. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and administration, and the higher education coordinating board shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The recommendations shall be reported to the legislature by February 15, 1993.

Sec. 5. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, neglect, and racial/cultural violence;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

Sec. 6. [APPROPRIATIONS.]

The following sums are appropriated from the general fund to the higher education coordinating board for fiscal year 1993 for the purposes indicated:

\$ for the random graduate survey required by section 3, subdivision 1;

\$ for recommendations to strengthen curriculum required by section 3, subdivision 3; and

\$ for multidisciplinary program grants under section 5.

Sec. 7. [APPROPRIATION TO THE ATTORNEY GENERAL.]

For the attorney general to provide assistance in establishing campus safety and security programs, there is appropriated \$ from the general fund to the attorney general for fiscal year 1993."

Delete the title and insert:

"A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring campus escort services; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A."

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1156: A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for Braille literacy; requiring the licensure of teachers of blind students in accord with Braille literacy standards; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] (a) Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

~~(a)~~ (1) connection with attending regular elementary and secondary school classes;

~~(b)~~ (2) establishment of special classes;

~~(c)~~ (3) at the home or bedside of the child;

~~(d)~~ (4) in other districts;

~~(e)~~ (5) instruction and services by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

~~(f)~~ (6) in a state residential school or a school department of a state institution approved by the commissioner;

~~(g)~~ (7) in other states;

~~(h)~~ (8) by contracting with public, private or voluntary agencies;

~~(i)~~ (9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

~~(j)~~ (10) for children under age five and their families, programs in which

handicapped children are served with nonhandicapped children; and

(*) (11) any other method approved by the commissioner.

(b) Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

(c) The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, 20 United States Code, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented as the primary mode for learning

through integration with other classroom activities;

(3) the date on which Braille instruction will begin;

(4) the length of the period of instruction and the frequency and duration of each instructional session;

(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and

(6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

(i) Instruction in Braille reading and writing is a service for the purpose of special education and services under section 120.17.

(j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. [REPEALER.]

Minnesota Statutes 1990, section 126.071, subdivisions 2, 3, and 4; and Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1, are repealed."

Delete the title and insert:

"A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for Braille literacy; amending Minnesota Statutes 1990, section 120.17, subdivision 2; repealing Minnesota Statutes 1990, section 126.071, subdivisions 2, 3, and 4; Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1."

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

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

S.F. No. 2509: A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.06; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

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

as follows:

Page 5, lines 28 to 32, delete the new language

Page 8, line 29, delete "petroleum" and insert "gasoline"

Page 9, line 4, delete "or"

Page 9, line 6, delete "and" and insert "or

(iii) a dye to distinguish heating fuel from low sulfur diesel fuel; and"

Page 10, after line 20, insert:

"Subd. 4. [USE OF TERM "PREMIUM".] The term "premium" may be used only to advertise, or to identify a dispenser used to dispense, gasoline with an octane rating of 91 or greater."

Renumber the subdivisions in sequence

Page 15, line 28, delete "a minimum" and insert "an average"

Page 19, line 1, delete "(a)"

Page 19, line 2, strike "or"

Page 19, line 3, before "is" insert ", 239.791, or 239.792"

Page 19, delete lines 4 to 16

Page 26, after line 24, insert:

"Sec. 53. [APPROPRIATION; COMPLEMENT.]

\$693,000 is appropriated from the general fund to the commissioner of the department of public service to be available until June 30, 1993, for octane and oxygenated fuels enforcement. The complement of the department of public service is increased by seven positions."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

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

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

S.F. No. 1822: A bill for an act relating to health; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; modifying provisions dealing with children in need of protection or services and termination of parental rights; amending Minnesota Statutes 1990, sections 144.651, by adding a subdivision; 260.191, subdivision 1; 260.221, by adding a subdivision; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.125, is amended to

read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS.]

It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every infant or child in its care tests for hemoglobinopathy, phenylketonuria, and other inborn errors of metabolism in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of the tests shall be performed at the times and in the manner prescribed by the commissioner of health. ~~This section does not apply to an infant whose parents object on the grounds that the tests and treatment conflict with their religious tenets and practices.~~ The commissioner shall charge laboratory service fees for conducting the tests of infants for inborn metabolic errors so that the total of fees collected will approximate the costs of conducting the tests. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of the fees.

Sec. 2. [145A.20] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 5.

Subd. 2. [LIFE-THREATENING CONDITION.] "Life-threatening condition" means a condition that presents a serious and imminent danger to a child's life.

Subd. 3. [MEDIATOR.] "Mediator" means the children's health care mediator under section 3.

Subd. 4. [PARENT.] "Parent" means a custodial parent or legal guardian.

Subd. 5. [RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICE.] "Religious or philosophical healing practice" means the good faith selection and sole dependence upon spiritual means or prayer or a philosophical system for treatment or care of disease or remedial care of a child as part of an organized religious or philosophical group or community.

Subd. 6. [SERIOUS DISABILITY OR DISFIGUREMENT.] "Serious disability" or "disfigurement" means permanent or protracted loss or impairment of the function of a bodily member or organ or permanent disfigurement.

Sec. 3. [145A.21] [CHILDREN'S HEALTH CARE MEDIATOR.]

Subdivision 1. [CREATION.] The commissioner of health shall designate a children's health care mediator to exercise the powers and duties under sections 3 to 5. The mediator's role is both to facilitate the provision of medical treatment where the life of a child is threatened or a child faces a significant probability of a serious disability or disfigurement and to ensure that latitude for parental choices in the health care of their children is not unnecessarily compromised. The commissioner or the mediator may appoint one or more persons to serve as deputy mediators to perform any of the

functions of the mediator. To the extent possible, the commissioner and the mediator shall use existing resources and personnel within boards of health and existing community health services to implement sections 3 to 5. The mediator shall consult with the state community health services advisory committee in implementing sections 3 to 5.

Subd. 2. [POWERS AND DUTIES.] *The mediator shall:*

(1) regularly meet with designated representatives and other members of a religious or philosophical community affected by this section in order to be familiar with their beliefs and practices;

(2) receive, answer, and investigate reports from parents under section 4;

(3) serve as an intermediary between parents who use religious or philosophical healing practices and traditional medical providers and provide advice and information to parents in cases where traditional medical treatment may be required for their children;

(4) encourage and facilitate the provision of appropriate medical care when emergency medical services are needed;

(5) establish operating principles governing reports, investigations, intervention, and treatment under sections 3 to 5;

(6) provide materials that list or discuss symptoms of life-threatening conditions or a serious disability or disfigurement and the circumstances under which traditional medical treatment may be required;

(7) provide advice and information to traditional medical providers regarding parental and family rights in children's health care cases; and

(8) report physical or sexual abuse or neglect of a child as required under section 626.556.

Subd. 3. [QUALIFICATIONS.] *The mediator must have an understanding of and sensitivity to religious and philosophical healing practices and beliefs. The mediator must be a licensed health care professional with sufficient training to be able to identify and assess a child's symptoms for purposes of sections 3 to 5.*

Subd. 4. [MEDIATOR DATA.] *Data collected and maintained by the mediator are private data on individuals as defined in section 13.02, subdivision 12, and may not be further disclosed to any person unless the disclosure is specifically authorized by law.*

Subd. 5. [IMMUNITY FROM LIABILITY.] *The mediator or a deputy mediator is not liable for any damages resulting from any acts or omissions by that person in performing the duties of the position unless the person acts in a willful and wanton or reckless manner.*

Sec. 4. [145A.22] [REPORTING BY PARENT.]

Subdivision 1. [MEDIATOR CONTACT; ASSESSMENT.] *A parent who uses religious or philosophical healing practices shall contact the mediator if the parent knows or has reason to believe that the child is in a life-threatening condition, faces a significant risk of serious disability or disfigurement, or has been incapacitated for an extended period. A parent who violates this subdivision is guilty of a misdemeanor. The mediator shall assess the child's symptoms to determine if the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement.*

The mediator shall seek appropriate medical input in making assessments under this section and section 6.

Subd. 2. [POSTASSESSMENT PROCEDURES.] If the mediator determines that the child is not in a life-threatening condition and does not face a significant risk of serious disability or disfigurement, the mediator shall so inform the parents and provide the parents with any other information that may be helpful to the parent's specific situation. If the mediator is unable to make a determination regarding the child's condition, the child's condition must continue to be assessed until it is determined that the condition is or is not life-threatening or the child does or does not face a significant risk of serious disability or disfigurement. If the mediator concludes that the condition is life-threatening or the child faces a significant risk of serious disability or disfigurement, the mediator shall inform the parents and proceed under section 5 for the arrangement of medical treatment.

Sec. 5. [145A.23] [PROVISION OF MEDICAL TREATMENT.]

Subdivision 1. [VOLUNTARY PROVISION OF MEDICAL TREATMENT.] If the parents of a child are willing to seek medical treatment following a determination under section 4, subdivision 2, the mediator shall assist the parents in obtaining treatment for the child as soon as possible.

Subd. 2. [INVOLUNTARY TREATMENT.] If the parents of a child are unwilling to seek medical treatment and the mediator has reason to believe that emergency medical treatment is necessary, the mediator shall inform the parents that the mediator must take action to ensure the arrangement of appropriate medical care. If necessary, the mediator may arrange for emergency transportation and medical services for the child without the parent's consent until a court order can be obtained. If necessary, the mediator shall notify the local welfare agency for the institution of legal proceedings under chapter 260. A person who interferes with the provision of medical treatment ordered by the mediator so that the child suffers harm is not selecting and depending in good faith on spiritual means or prayer for treatment for purposes of sections 609.205 and 609.378.

Subd. 3. [FAMILY INVOLVEMENT IN TREATMENT.] (a) In all cases where medical treatment is provided to a child whose parent relies on religious or philosophical healing practices, the parents and the child have a right to continued involvement in decisions regarding treatment, as long as they are acting in good faith. In making medical treatment decisions, the medical provider shall consider:

(1) the preferences of the parents and the child, if the child has capacity to give informed consent; and

(2) the degree of likelihood that the proposed treatment for the child will be safe and effective and would, with significant probability, be lifesaving or avoid serious disability or disfigurement.

(b) Medical providers shall allow parents to continue to use religious or philosophical healing practices while medical treatment is being provided, as long as the parents are acting in good faith and the healing practice does not interfere with medical treatment.

(c) This subdivision applies to all cases involving the voluntary or involuntary treatment of a child whose parents rely on religious or philosophical healing practices.

Sec. 6. Minnesota Statutes 1990, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. *If the report alleges that a lack of medical care may cause serious and imminent danger to a child because the child's parent or guardian uses a religious or philosophical healing practice, as defined in section 2, in lieu of medical care, the local welfare agency shall immediately notify the children's health care mediator and shall coordinate its investigation with the mediator.* If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or

neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 7. [REPORT TO LEGISLATURE.]

By January 15, 1995, the commissioner of health shall report to the chairs of the committees on judiciary and health and human services of the senate and house of representatives regarding the effectiveness of the children's health care mediator in meeting the goals described in sections 3 to 5 and the powers and duties set forth in section 3."

Delete the title and insert:

"A bill for an act relating to health; removing the religious exemption for infant inborn metabolic tests; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; amending Minnesota Statutes 1990, sections 144.125; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A."

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2461: A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 344.03, subdivision 1, is amended to read:

Subdivision 1. [ADJOINING OWNERS.] If all or a part of adjoining Minnesota land is improved and used, and one or both of the owners of the land desires the land to be partly or totally fenced, the land owners or occupants shall build and maintain a partition fence between their lands in equal shares, *except that no landowner or occupant shall be required to pay any share of the construction or maintenance of a partition fence if that landowner or occupant has no need for a fence. If an owner or occupant is exempt from payment of any of the costs of a partition fence because the owner or occupant does not need the fence, but that owner's or occupant's circumstances change to include the need for a partition fence within seven years of completion of the partition fence, either owner or occupant may request the fence viewers to perform a reevaluation and reassignment of shares of the cost of construction and maintenance in accordance with section 344.06. If the landowners or occupants disagree about the need for a fence, it is a controversy under section 344.06.*

Sec. 2. [344.033] [APPEALS.]

Any decision of the fence viewers concerning partition fences may be appealed within 30 days to the district court in the county in which the fence is located. Construction, maintenance, or repair of a fence or payment

of costs is not required until the completion of the appeals process.

Sec. 3. Minnesota Statutes 1990, section 344.06, is amended to read:

344.06 [CONTROVERSY; DECISION BY FENCE VIEWERS.]

If a controversy arises concerning the rights in partition fences of the respective occupants or their obligation to *erect or* maintain the fences, either party may apply to the fence viewers, who, after due notice to the parties, may assign to each a share, *or no share*, in the fence and direct the time within which the fence must be erected or repaired. *If in the fence viewer's opinion an assignment of shares is appropriate the shares shall be assigned in accordance with the need and benefit of each party.* The assignment, *unless appealed*, may be filed for record with the county recorder after which it is binding upon the parties and upon all succeeding occupants of the lands."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for certain actions during the appeal process;"

Page 1, line 5, before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 344"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2403: A bill for an act relating to taxation; property; changing certain published notice and the hearing date requirements on proposed property taxes; amending Minnesota Statutes 1991 Supplement, section 275.065, subdivisions 5a and 6.

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

Page 6, after line 19, insert:

"Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 275.065, as amended by Laws 1991, chapters 130, section 28; 199, article 2, section 20; and 265, article 9, sections 64 and 65, is repealed on December 31, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "sunsetting the truth in taxation provisions;"

Page 1, line 6, before the period, insert "repealing Minnesota Statutes 1990, section 275.065, as amended"

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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2316: A bill for an act relating to drivers' licenses; abolishing requirements to surrender driver's license under certain circumstances; amending Minnesota Statutes 1990, sections 169.121, subdivision 7; 169.123, subdivision 5a; 171.11; and 171.22, subdivision 1; Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1; repealing Minnesota Statutes 1990, section 171.20, subdivision 1.

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

Page 2, line 21, strike "The officer shall" and delete "invalidate" and strike "the license"

Page 2, line 22, strike "or permit"

Page 2, lines 25 and 26, delete the new language and strike the period

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1990, section 169.14, subdivision 10, is amended to read:

Subd. 10. [RADAR; ~~SPEEDALYZER~~ *SPEED-MEASURING DEVICES; STANDARDS OF EVIDENCE.*] In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other ~~speedalyzer~~ *speed-measuring* devices is admissible in evidence, subject to the following conditions:

(a) The officer operating the device has sufficient training to properly operate the equipment;

(b) The officer testifies as to the manner in which the device was set up and operated;

(c) The device was operated with minimal distortion or interference from outside sources; and

(d) The device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or ~~speedalyzer~~ *speed-measuring* device."

Page 3, after line 12, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class

of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles *and combinations of vehicles*, except *commercial motor vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials*; and

(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

~~The holder of a class C license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.~~

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses. *The holder of a class B license may also tow vehicles with a gross vehicle weight of 10,000 pounds or less.*

(d) Class A; valid for any vehicle or combination thereof."

Page 4, after line 32, insert:

"Sec. 9. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 6 to 8 are effective January 1, 1993. Section 3 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "revising driver's license classifications; making technical corrections;"

Page 1, line 6, after the first semicolon, insert "169.14, subdivision 10;"

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and 2"

Page 1, line 8, delete "1"

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

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

S.F. No. 2645: A bill for an act relating to agriculture; providing requirements for discharges from aquatic farms; requiring permits; requiring monitoring; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1991 Supplement, section 17.498.

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

Page 6, line 25, delete "*prevent pollution of*" and insert "*protect the*" and delete "*causing*" and insert "*as a potable water source.*"

Page 6, line 26, delete everything before "*Minnesota*"

Page 8, after line 28, insert:

"For permitted net pen facilities existing on July 1, 1992, the commissioner of agriculture shall monitor and enforce degradation of groundwater as provided in chapter 103H and the nutrients and by-products of the net pen farming are fertilizers and agricultural chemicals for purposes of regulation. The permittee shall pay for installation of monitoring wells and monitoring determined to be necessary by the commissioner of agriculture in an amount not to exceed \$80,000. If monitoring of the groundwater determines a common detection of pollutants from the net pen facility, the permittee shall pay for monitoring costs. The commissioner of agriculture shall provide annual reports on the monitoring to the commissioner of health and the pollution control agency. Permits may not be issued for new net pen facilities until July 1, 1997."

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

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

S.F. No. 2392: A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

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

Page 1, after line 13, insert:

"The following area is deleted from Cascade River state park: That part of the West 750 feet of Government Lot 4, Section 32, Township 61 North, Range 1 West, Cook County, Minnesota, lying southerly of the southerly right-of-way line of U.S. Highway 61; including all riparian rights to the contained 1.6 acres, more or less. Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell

the land so deleted from the park to adjacent landowners. The land shall be conveyed in a form approved by the attorney general for a consideration of not less than the appraised value."

Page 2, line 17, delete "*the North Half of*"

Page 2, line 24, delete "20" and insert "22"

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

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

S.F. No. 2421: A bill for an act relating to natural resources; extending the term of certain timber permits.

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

Delete everything after the enacting clause and insert:

"Section 1. [EXTENSION OF CERTAIN TIMBER PERMITS.]

(a) The commissioner of natural resources shall extend for an additional period of two years any timber permit issued under Minnesota Statutes, chapter 90, which expires between December 1, 1991, and June 1, 1992. This extension is:

(1) in addition to any extension previously granted under chapter 90;

(2) made without additional charge including interest; and

(3) subject to the remaining provisions of chapter 90.

Any timber cut during the period of the extension or remaining uncut at the expiration of the extension shall be billed at the stumpage rates of the original sale.

(b) Previous extensions of timber permits under Minnesota Statutes, section 90.193, granted between December 1, 1991, and the effective date of this act shall be granted without interest. Any timber cut during the period of the extension or remaining uncut at the expiration of the extension shall be billed at the stumpage rates of the original sale.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is repealed May 31, 1994."

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

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

S.F. No. 2299: A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, subdivision 7.

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

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

S.F. No. 2308: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

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

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

S.F. No. 2256: A bill for an act relating to regional development commissions; requiring regional development commissions to establish permit and license information centers; amending Minnesota Statutes 1990, sections 116C.34, subdivisions 1 and 3; and 462.391, by adding a subdivision.

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

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

S.F. No. 1787: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Fillmore county.

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

Page 1, line 13, before the period, insert "*and provide for reservation of an easement two rods in width, measured from the ordinary high water mark of the Root River*"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2110: A bill for an act relating to economic development; providing that Ramsey county has the powers and duties of a city for the purpose of economic development authorities; amending Minnesota Statutes 1990, section 469.091, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 469.004, subdivision 1, is amended to read:

Subdivision 1. [PRELIMINARY COUNTY FINDINGS AND DECLARATION.] There is created in each county in this state ~~other than Ramsey~~ ~~and~~ other than those counties in which a county housing authority has been created by special act, a public body, corporate and politic, to be known as the housing and redevelopment authority of that county, hereinafter referred to as "county authority." No county authority shall transact any business or exercise any powers until the governing body of the county, by

resolution, finds that there is need for a county authority to function in the county. The governing body shall consider the need for a county authority to function (1) on the governing body's own motion or (2) upon the filing of a petition signed by 25 qualified voters of the county asserting that there is need for a county authority to function in the county and requesting that the governing body so declare. The governing body shall adopt a resolution declaring that there is need for a county authority to function in the county if it makes the findings required in section 469.003, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 469.004, is amended by adding a subdivision to read:

Subd. 1a. [RAMSEY COUNTY AUTHORITY.] Ramsey county may exercise the powers of a housing and redevelopment authority. Before the commencement of a project by Ramsey county acting as a housing and redevelopment authority, the governing body of the municipality in which the project is to be located shall, by majority vote, approve the project as recommended by the authority.

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective on the day after the Ramsey county board complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to Ramsey county; authorizing Ramsey county to exercise housing and redevelopment authority powers; amending Minnesota Statutes 1990, section 469.004, subdivision 1, and by adding a subdivision."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2073: A bill for an act relating to economic development; providing for the allocation of bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 2a; and 474A.091, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education

coordinating board for student loan bonds on December 1 of 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development; providing reservations and a carryforward for bonding authority for student loan bonds issued by the higher education coordinating board."

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2489: A bill for an act relating to housing; creating a regional housing revitalization program; imposing a deed tax on certain real property transfers within the metropolitan area; appropriating money; amending Minnesota Statutes 1990, sections 287.21, subdivisions 1 and 2; 287.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 1, line 26, strike the second "\$1.65" and insert "\$3.30"

Page 1, line 27, strike "\$500" and insert "\$1,000"

Page 2, line 6, delete "50 cents" and insert "\$1" and delete "\$500" and insert "\$1,000"

Page 2, line 8, delete "\$1.50" and insert "\$3" and delete "\$500" and insert "\$1,000"

Page 2, line 10, delete "\$2.50" and insert "\$5" and delete "\$500" and insert "\$1,000"

Page 3, after line 2, insert:

"Sec. 4. [462A.206] [REGIONAL HOUSING REVITALIZATION FUND.]

Subdivision 1. [ESTABLISHMENT.] The regional housing revitalization fund is established as a separate account in the housing development fund. The regional housing revitalization fund is a revolving loan fund. The fund consists of all revenue deposited in it under section 287.21, subdivision 2, and all other funds made available to the fund by law.

Subd. 2. [USES OF FUND.] The agency may make loans to cities located in a metropolitan county as defined in section 473.121, subdivision 4, for housing revitalization under terms and conditions determined by the governing board established under section 473.202, for projects approved by

the governing board. "Housing revitalization" means rehabilitation of housing as defined in section 462A.03, subdivision 15, removal of condemned or abandoned property, and removal of property where repair is not economically feasible.

Sec. 5. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 17. [REGIONAL HOUSING REVITALIZATION FUND.] It may make loans for the purpose of section 4 and may pay the costs and expenses necessary and incidental to the operation of the loan program."

Page 3, delete lines 4 to 31

Page 3, line 32, delete "Subd. 4. [METROPOLITAN COUNCIL; GOVERNING BOARD.]"

Page 3, line 35, delete "municipalities" and insert "cities under section 4"

Page 4, line 13, after the period, insert "The board shall report biennially to the legislature on the use and expenditure of funds under this section. The first report is due on January 15, 1994. The report must include information on the number and size of housing units created; the income levels, size, and racial or ethnic composition of the families served; and the number of units demolished."

Page 4, lines 15 and 19, delete "4" and insert "6"

Page 4, after line 16, insert:

"Sec. 8. [APPROPRIATION.]

\$ is transferred from the general fund to the regional housing revitalization fund."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "462A.21, by adding a subdivision;"

Page 1, line 8, delete "chapter" and insert "chapters 462A; and"

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 2144: A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 1839: A bill for an act relating to the city of Richfield; providing for the application of fiscal disparities to a certain tax increment financing district.

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

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

S.F. No. 2497: A bill for an act relating to commerce; defining the responsibilities of ski area operators and skiers; defining the rights and liabilities between skiers and between a skier and a ski area operator; proposing coding for new law as Minnesota Statutes, chapter 86C.

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

Page 12, after line 18, insert:

"Sec. 13. Laws 1973, chapter 327, section 5, is amended by adding a subdivision to read:

Subd. 8. [OUTSIDE BUSINESS ACTIVITIES.] Notwithstanding any contrary provision of sections 1 to 12, the authority may engage in business activities outside the geographic boundaries of the Spirit Mountain recreation area.

Sec. 14. [EFFECTIVE DATE.]

Section 13 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing the Spirit Mountain recreation area authority to engage in business activities outside the Spirit Mountain recreation area; amending Laws 1973, chapter 327, section 5;"

And when so amended the bill do pass. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2191: A bill for an act relating to liquor; providing a procedure for determining liquor liability insurance rates; amending Minnesota Statutes 1990, section 340A.409, subdivision 1.

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

Page 1, line 9, before "No" insert "(a)"

Page 2, line 24, before "Rates" insert "(b)"

Page 2, line 26, after the period, insert "*This paragraph does not prohibit an insurer from using type of business or prior claims experience in setting rates. The commissioner of revenue shall adopt rules to implement this paragraph.*"

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

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1893: A bill for an act relating to the city of Zumbrota; allowing informational signs.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under sections 173.01 to 173.27, shall be erected or maintained in an adjacent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, and which comply with rules which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement sections 173.01 to 173.27;

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices;

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of sections 173.01 to 173.27;

(i) Signs placed temporarily by auctioneers under section 169.07-;

(j) *Community identification signs which are located within two miles of the community and do not exceed 750 square feet. "Community" means a county, town, or home rule charter or statutory city. Prior to the erection of a community identification sign, the community must:*

- (1) obtain approval from the governing body of the community;
- (2) consult with local road authorities on placement and location of the sign; and
- (3) obtain consent of the owner of the land on which the sign is to be erected.

Sec. 2. Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be \$25 ~~on July 1, 1991, and \$30 on July 1, 1992, and thereafter.~~

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be \$50 ~~on July 1, 1991, and \$60 on July 1, 1992, and thereafter.~~

(3) If the advertising area exceeds 300 square feet, the fee shall be \$100 ~~on July 1, 1991, and \$120 on July 1, 1992, and thereafter.~~

(4) No fee shall be charged for a permit for official signs and notices as they are defined in section 173.02, except that a fee may be charged for a star city sign erected under section 173.085.

Sec. 3. Minnesota Statutes 1990, section 173.16, subdivision 5, is amended to read:

Subd. 5. [LOCAL CONTROL.] (1) Whenever a bona fide county or local zoning authority has made a legitimate determination of customary usage and in the judgment of the commissioner, reasonably provides for size, lighting and spacing control of advertising devices, such determination shall be accepted in lieu of the provisions of this chapter in the zoned commercial and industrial areas within the geographical jurisdiction of such authority.

(2) All county and local zoning authorities shall give notice to the commissioner of transportation of the establishment or revision of any commercial and industrial zones pursuant to subdivision 1. Notice shall be by certified mail sent to the office of the commissioner of transportation in St. Paul, Minnesota, within 15 days after the effective date of the zoning change or establishment.

(3) *The commissioner may not disapprove any zoning ordinance adopted by a county or local zoning authority that has the effect of establishing a business area unless the zoning ordinance would result in the loss to the state of federal highway funds.*

Delete the title and insert:

"A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4."

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1875: A bill for an act relating to freedom of expression; providing for free press rights of students in public schools; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Delete everything after the enacting clause and insert:

"Section 1. [126.25] [RIGHT OF STUDENTS TO FREEDOM OF PRESS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) "Student publication" means materials:

(1) produced by high school students in a journalism, newspaper, magazine, yearbook, or writing class or as a part of a cocurricular, as defined in section 123.38, subdivision 2a, or extracurricular activity under the control of the school board, according to section 123.38, subdivision 2b; and

(2) distributed to the high school student body.

(b) "Publications advisor" means a person who supervises student publications, to the extent the position of publications advisor is maintained at a school.

(c) "High school" means a secondary school in which students in grades 9 through 12 or grades 10 through 12 are enrolled.

Subd. 2. [FREEDOM OF EXPRESSION.] High school students enrolled in a school district have the right to exercise freedom of the press. Expression contained in a student publication is not subject to prior restraint, except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] (a) This section does not authorize high school students to publish:

(1) expression that is obscene;

(2) expression that is defamatory;

(3) expression that creates a clear and present danger of material and substantial disruption of the orderly operation of the school or of the safety of students, faculty, or employees; or

(4) expression that violates the privacy rights of individuals.

(b) The school district has the burden of establishing a justification for a prior restraint authorized under paragraph (a). A prior restraint must be based on specific facts, events, or situations that establish the existence of at least one of the factors in paragraph (a).

Subd. 4. [EDITORIAL RESPONSIBILITY; SUPERVISION.] (a) Student editors of high school student publications are responsible for determining the news, opinion, and advertising content of their publications, subject to the limitations of this section. It is the responsibility of the publications advisor within each school to supervise the production of the publications and to teach and encourage free and responsible expression and professional standards for language and journalism.

(b) If participation in a high school student publication is part of a school class or activity for which grades are given or credits are awarded, this section does not interfere with the authority of the publications advisor to establish or limit writing assignments for the students working with the publication or to otherwise direct or control the learning experience that the publication is intended to provide.

(c) Data published in student publications shall not be construed to be data collected, maintained, or disseminated by a school district.

Subd. 5. [SCHOOL DISTRICT PUBLICATIONS CODE.] Each school board shall adopt a written high school publications code consistent with the terms of this section that includes reasonable provisions for the time, place, and manner of publication and distribution of student publications. The publications code must be distributed, posted, or otherwise made available to all students and teachers.

Subd. 6. [STUDENT EXPRESSION NOT SCHOOL POLICY; LIABILITY.] Expression made by high school students in the exercise of freedom of speech or freedom of the press is not considered to be an expression of school policy or the release of data by a school district. A school district, school board member and school district official or employee in their official capacity, or parent or legal guardian of a student shall not be liable in any civil or criminal action arising from any expression made or published by high school students in a student publication. No action or inaction in the carrying out of any duty to supervise or any other duty under this section shall create liability for any school district, school board member, or official or employee of the district."

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

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 2195: A bill for an act relating to education; establishing an adopt-a-school program allowing students and the community to voluntarily maintain a public school; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Page 1, line 7, delete "120.675" and insert "123.746"

Page 1, line 9, delete everything after "established"

Page 1, delete line 10

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

Page 1, line 15, delete "3" and insert "2"

Page 1, line 18, delete "in accordance with" and insert "in coordination with the bargaining units represented in the school district."

Page 1, delete line 19

Page 1, line 20, delete "commissioner" and insert "school board"

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

Amend the title as follows:

Page 1, line 5, delete "120" and insert "123"

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

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

S.F. No. 2194: A bill for an act relating to governmental operations; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; providing for investments and uses of public facilities; amending Minnesota Statutes 1990, sections 11A.24, subdivision 6; 13.76, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; 471; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

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 6.02, is amended to read:
6.02 [~~DEPUTY DEPUTIES~~, EMPLOYEES.]

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss *two additional deputies and a private secretary.*"

Page 2, after line 32, insert:

"Sec. 4. Minnesota Statutes 1990, section 15A.082, is amended by adding a subdivision to read:

Subd. 4a. [CONSTITUTIONAL OFFICERS.] No constitutional officer whose compensation is set under this section may receive monetary compensation for unused vacation or sick leave accruals."

Page 4, delete section 8

Page 9, line 5, delete "15" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the complement of the state auditor's office;"

Page 1, line 6, after "sections" insert "6.02;"

Page 1, line 7, after the second semicolon, insert "15A.082, by adding a subdivision;"

Page 1, line 12, delete "471;"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2686: A bill for an act relating to human services; requiring the commissioner to contract with a prepaid dental plan company to provide dental services to recipients of medical assistance, general assistance medical care, and the children's health plan; amending Minnesota Statutes 1990, section 256B.0625, subdivision 9.

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

Page 2, after line 27, insert:

"(c) Nothing in this section affects the commissioner's authority to contract under sections 256B.031, 256B.035, and 256D.03, subdivision 4, paragraph (b)."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2458: A bill for an act relating to human services; regulating medical assistance payments for the services of occupational and physical therapy assistants.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:"

Page 1, line 6, delete "Section 1." and insert "Subd. 8b."

Page 1, line 8, delete the paragraph coding

Amend the title as follows:

Page 1, line 4, before the period, insert "; amending Minnesota Statutes 1990, section 256B.0625, by adding a subdivision"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1876: A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for granting medical licenses and for investigating physicians; amending Minnesota Statutes 1990, sections 147.131; and 147.161, subdivision 3; Minnesota Statutes 1991 Supplement, section 147.03.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1976: A bill for an act relating to human services; extending the exemption from the Minnesota supplemental aid rate cap to allow payments at the case mix rate for certain medical assistance certified boarding care facilities and nursing homes declared institutions for mental disease; amending Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2216: A bill for an act relating to human services; providing for state takeover of the county share of the costs of growth in emergency general assistance; negotiated rate facility payments and emergency assistance; amending Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2536: A bill for an act relating to the department of jobs and training; modifying provisions concerning dislocated worker fund disbursements; amending Minnesota Statutes 1991 Supplement, section 268.022, subdivision 2.

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

Page 2, line 4, delete "*No more than*"

Page 2, line 6, delete "*may*" and insert "*shall*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2533: A bill for an act relating to human services; establishing a project to enhance the recovery of overpaid benefits; creating administrative fraud disqualification hearings as an optional method for resolving AFDC and food stamp fraud cases; creating a task force to consider and evaluate mechanisms which would allow the administrative determination of overpayments and their docketing as judgments; defining in-kind income in the AFDC and GA programs; authorizing disqualification from the AFDC and food stamp programs based on administrative fraud hearings; creating and authorizing the use of commissioner's subpoenas in investigations involving public assistance programs; establishing the offense defined as assistance transaction card fraud; establishing a pilot project to examine options designed to enhance the recovery of overpayments in assistance programs; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 256.12, by adding a subdivision; 256D.02,

subdivision 8; and 256D.35, subdivision 11; Minnesota Statutes 1991 Supplement, section 256.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 2, line 34, before the period, insert "*and the requirements in Code of Federal Regulations, title 7, section 273.16, for the food stamp program and title 45, section 235.112, for the aid to families with dependent children program*"

Page 3, line 8, after the period, insert "*If the individual accused of wrongfully obtaining assistance is charged under section 256.98 for the same act or acts which are the subject of the hearing, the individual may request that the hearing be delayed until the criminal charge is decided by the court or withdrawn.*"

Page 3, lines 14 and 16, delete "\$1,000" and insert "\$2,000"

Page 3, lines 17 and 19, delete "\$2,500" and insert "\$5,000"

Page 3, after line 21, insert:

"Overpayments for purposes of this subdivision are defined as the total amount of aid to families with dependent children overpayment and food stamp overissuance."

Page 4, line 5, before the comma, insert "*of an applicant or recipient*"

Page 4, line 6, delete "*an*" and insert "*the*"

Page 6, line 13, delete "2" and insert "3"

Page 7, line 5, after "*Benefits*" insert "*of an applicant or recipient*"

Page 7, lines 7 and 18, delete "*an*" and insert "*the*"

Page 7, line 16, before the comma, insert "*of the recipient*"

Page 8, line 4, delete " " and insert "*human services*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2325: A bill for an act relating to human services; requiring the commissioner to recalculate hospital payment rates using 1991 as the base year.

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

Page 1, line 12, delete everything after the period

Page 1, delete line 13

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2411: A bill for an act relating to human services; providing for pilot projects to demonstrate the use of intergovernmental contracts between state and counties to fund, administer, and regulate delivery of community social service programs; appropriating money.

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

Page 1, line 19, delete "25" and insert "6"

Page 1, line 24, after the period, insert "*The commissioner shall consider statewide distribution and county population in selecting counties for the pilot project.*"

Page 2, line 8, delete "*Implementing*" and insert "*Improving*"

Page 2, line 26, after "*the*" insert "*procedural*" and delete "*administrative rules*" and insert "*state law*"

Page 2, line 28, after "*continue*" insert "*mandated*" and delete everything after "*services*"

Page 2, line 29, delete everything before the period

Page 3, line 18, delete everything after "*under*" and insert "*state and federal law*"

Page 3, line 19, delete "256.045"

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

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 1735: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer children's service workers; establishing procedures for the sharing of criminal record data with children's service providers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

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

Page 2, line 32, after the period, insert "*The superintendent shall recover the cost of a background check through a fee charged the children's service provider.*"

Page 3, line 27, delete the second "*and*"

Page 3, line 29, delete the period and insert "; *and*

(4) the right not to be required directly or indirectly to pay the cost of the background check."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1979: A bill for an act relating to human services; providing for six demonstration projects to test alternatives to the delivery of mental health services; amending Minnesota Statutes 1990, section 256E.05, by adding a subdivision.

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

Page 1, line 10, delete "PROJECTS" and insert "PROJECT"

Page 1, lines 12 and 13, delete "*up to six demonstration projects, one of which must be a home rule charter county,*" and insert "*a pilot project in Ramsey county*"

Page 1, line 16, after "*of*" insert "*the*" and delete "*boards*" and insert "*board*"

Page 1, line 20, delete "*projects*" and insert "*project*"

Page 2, line 6, after "*establishing*" insert "*the*" and delete "*departments*" and insert "*department*"

Page 2, line 7, delete "*boards*" and insert "*board*"

Page 2, lines 10, 24, 26, and 31, delete "*projects*" and insert "*project*"

Page 2, line 13, before the colon, insert "*provided that any share of mental health expenditures from sources listed that are used for commitment or treatment in a regional treatment center must not be part of integrated funding*"

Page 2, line 21, after the semicolon, insert "*and*"

Page 2, line 22, delete "*; and*" and insert a period

Page 2, delete line 23

Page 2, line 28, delete "*projects*" and insert "*projects*"

Amend the title as follows:

Page 1, line 2, delete "six" and insert "a pilot project in Ramsey county"

Page 1, line 3, delete "demonstration projects"

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

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

S.F. No. 2124: A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 2232: A bill for an act relating to courts; requiring the state to reimburse counties for certain extradition expenses from any forfeited bail of the defendant or probationer that had been forwarded to the state treasury

as required by law; amending Minnesota Statutes 1990, section 485.018, subdivision 5.

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

Page 1, line 25, after "*for*" insert "*the actual costs of*"

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

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

S.F. No. 2111: A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2206, 2286, 1590, 2274, 1649, 2175, 2213, 1784, 1668, 1376, 1755, 2514, 1693, 2338, 2162, 2344, 2301, 2319, 2173, 2117, 2475, 2572, 878, 2231, 2298, 2376, 2311, 1156, 2461, 2316, 2645, 2392, 2421, 2299, 2308, 2256, 1787, 2110, 2191, 1875, 2195, 1735, 2124 and 2111 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Mondale moved that the name of Ms. Traub be added as a co-author to S.F. No. 1951. The motion prevailed.

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 2231. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 2344. The motion prevailed.

Mr. Davis moved that the name of Mr. Day be added as a co-author to S.F. No. 2394. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Day be added as a co-author to S.F. No. 2561. The motion prevailed.

Mr. Mondale introduced—

Senate Resolution No. 126: A Senate resolution congratulating Harvey Zander on being named Owner Operator of the Year by the Interstate Truckload Carriers Conference.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 127: A Senate resolution commending Richard Preiss for over 38 years of military service in the Minnesota Army National Guard.

Referred to the Committee on Rules and Administration.

Mr. Novak moved that the name of Ms. Olson be added as a co-author

to S.F. No. 2484. The motion prevailed.

Mr. Benson, D.D. moved that the name of Mr. Larson be added as a co-author to S.F. No. 2535. The motion prevailed.

Mr. Metzen moved that S.F. No. 720 be taken from the table. The motion prevailed.

S.F. No. 720: A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29.

RECONSIDERATION

Mr. Metzen moved that the vote whereby S.F. No. 720 was repassed by the Senate on May 20, 1991, be now reconsidered. The motion prevailed.

RECONSIDERATION

Mr. Metzen moved that the vote whereby the recommendations of the Conference Committee Report on S.F. No. 720 were adopted on May 20, 1991, be now reconsidered. The motion prevailed.

Mr. Metzen moved that, the Senate having reconsidered the vote whereby S.F. No. 720 was repassed, and the vote whereby the recommendations of the Conference Committee Report were adopted on May 20, 1991, that S.F. No. 720 be re-referred to the Conference Committee for further consideration. The motion prevailed.

Mr. Benson, D.D. moved that S.F. No. 2536 be withdrawn from the

Committee on Governmental Operations and re-referred to the Committee on Finance. The motion prevailed.

Mr. Metzen moved that S.F. No. 2110, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Reichgott moved that S.F. No. 2194 be withdrawn from the Committee on Local Government, given a second reading and placed on General Orders. The motion prevailed.

CALENDAR

S.F. No. 1919: A bill for an act relating to trade regulations; regulating telephone advertising services; providing penalties and remedies; amending Minnesota Statutes 1990, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

So the bill passed and its title was agreed to.

H.F. No. 2044: A bill for an act relating to water; creating an exemption from certain requirements relating to once-through water use permits; amending Minnesota Statutes 1990, section 103G.271, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Knaak	Metzen	Reichgott
Beckman	Frank	Kroening	Moe, R.D.	Renneke
Belanger	Frederickson, D.J.	Laidig	Mondale	Riveness
Benson, D.D.	Frederickson, D.R.	Langseth	Neuville	Sams
Benson, J.E.	Gustafson	Larson	Novak	Samuelson
Bernhagen	Halberg	Lessard	Olson	Solon
Bertram	Hughes	Luther	Pappas	Stumpf
Chmielewski	Johnson, D.E.	Marty	Pariseau	Terwilliger
Cohen	Johnson, D.J.	McGowan	Piper	Traub
Day	Johnston	Mehrkens	Pogemiller	Vickerman
DeCramer	Kelly	Merriam	Ranum	

Those who voted in the negative were:

Berg
BerglinDavis
FinnHottinger
Johnson, J.B.Morse
Price

Waldorf

So the bill passed and its title was agreed to.

H.F. No. 917: A bill for an act relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the metropolitan area; amending Minnesota Statutes 1990, section 168.27, subdivision 10.

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

So the bill passed and its title was agreed to.

S.F. No. 1638: A bill for an act relating to counties; permitting county offices to be filled by special election; amending Minnesota Statutes 1990, sections 375.08; and 375.101, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1773: A bill for an act relating to cities and counties; permitting the appointment of citizen budget advisory committees; proposing coding for new law in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Messrs. Dicklich; Johnson, D.J. and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2227: A bill for an act relating to landlords and tenants; changing the interest rate required on a rental deposit; amending Minnesota Statutes 1990, section 504.20, 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 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McGowan	Renneke
Beckman	Day	Johnson, D.E.	Mehrkins	Sams
Belanger	DeCramer	Johnston	Metzen	Solon
Benson, D.D.	Flynn	Kelly	Moe, R.D.	Stumpf
Benson, J.E.	Frederickson, D.J.	Knaak	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Laidig	Pariseau	Traub
Bertram	Gustafson	Langseth	Piper	Vickerman
Chmielewski	Halberg	Lessard	Price	
Cohen	Hottinger	Marty	Ranum	

Those who voted in the negative were:

Berg	Frank	Luther	Novak	Spear
Berglin	Johnson, D.J.	Merriam	Pogemiller	
Davis	Johnson, J.B.	Mondale	Reichgott	
Dicklich	Kroening	Morse	Riveness	
Finn	Larson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 1911: A bill for an act relating to Hubbard county; authorizing the private sale of certain land which was exchanged for tax-forfeited land.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2011: A bill for an act relating to waters; granting sheriffs power to bar vehicles from unsafe ice; eliminating the appeal to the commissioner of natural resources from a sheriff's decision; amending Minnesota Statutes 1990, section 86B. 121; proposing coding for new law in Minnesota Statutes, chapter 86B.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Second Reading of Senate Bills.

SECOND READING OF SENATE BILLS

S.F. No. 2194 was read the second time.

CONSENT CALENDAR

H.F. No. 2259: A bill for an act relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2385: A bill for an act relating to elections; special school district No. 1; allowing special school district No. 1 to change the years of its elections; amending Laws 1959, chapter 462, section 3, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Belanger	Finn	Knaak	Morse	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	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	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2307: A bill for an act relating to elections; changing deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, subdivision 4.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Johnson, J.B. introduced—

S.F. No. 2688: A bill for an act relating to motor vehicles; requiring motor vehicle manufacturers to sell low-emission motor vehicles and motor vehicles that use alternative fuel; requiring the pollution control agency to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Riveness, Spear and McGowan introduced—

S.F. No. 2689: A bill for an act relating to the pardon process; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; authorizing the board to conduct its deliberations on pardon applications in private; improving the pardon application procedure; requiring certain reports; prohibiting employment discrimination against pardoned offenders; appropriating money; amending Minnesota Statutes 1990, sections 363.03, subdivision 1; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapter 638.

Referred to the Committee on Judiciary.

Mr. Davis introduced—

S.F. No. 2690: A bill for an act relating to wetlands; leasing of portions of acquired property; amending Minnesota Statutes 1990, section 97A.145, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 2691: A bill for an act relating to economic development; changing the name of the export finance authority to Minnesota trading company; increasing the size of the board of directors and changing the composition; changing the financing terms; amending Minnesota Statutes 1990, section 116J.9763, subdivisions 2, 6, and 7.

Referred to the Committee on Economic Development and Housing.

Ms. Piper introduced—

S.F. No. 2692: A bill for an act relating to energy; requiring energy providers to solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Energy and Public Utilities.

Mr. Davis introduced—

S.F. No. 2693: A bill for an act relating to agriculture; authorizing the commissioner of agriculture to make certain adjustments, agreements, and settlements in family farm security loans; providing for transfer and disposition of certain funds; appropriating money; amending Minnesota Statutes 1990, sections 41.56, subdivision 3; 41.57, by adding subdivisions; and 41.61, by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Knaak and Kelly introduced—

S.F. No. 2694: A bill for an act relating to courts; authorizing issuance of bonds to finance the construction of centrally located suburban Ramsey county court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185; proposing coding for new law in Minnesota Statutes, chapter 488A.

Referred to the Committee on Local Government.

Messrs. Gustafson and Solon introduced—

S.F. No. 2695: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for capital planning for the University of Minnesota-Duluth campus library addition.

Referred to the Committee on Education.

Mrs. Pariseau and Mr. Benson, D.D. introduced—

S.F. No. 2696: A bill for an act relating to social and charitable organizations; prohibiting solicitors by organizations whose officer's or director's annual compensation exceeds the governor's; amending Minnesota Statutes 1990, section 309.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 309.

Referred to the Committee on Commerce.

Mrs. Pariseau introduced—

S.F. No. 2697: A bill for an act relating to the military; authorizing the adjutant general to lease certain land; amending Minnesota Statutes 1990, section 190.25, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mr. Lessard introduced—

S.F. No. 2698: A bill for an act relating to taxation; sales; providing an exemption for certain purchases by Canadian residents; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Riveness; Frederickson, D.R.; Ms. Ranum, Messrs. Pogemiller and Waldorf introduced—

S.F. No. 2699: A bill for an act relating to state government; department of administration; changing the government data classification of requests for proposals; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; amending administration of STARS; changing the date for the department of administration to report recycling goals; providing that the department may retain money from successful litigation; amending auditing requirements for noncommercial radio stations; extending the date for relocating the state printing operation; making various technical changes; amending Minnesota Statutes 1990, sections 13.37, subdivision 2; 16A.15, subdivision 3; 16B.09, by adding a subdivision; 16B.121; 16B.24, subdivisions 1, 5, and 6; 16B.31, by adding a subdivision; 16B.33, subdivision 3; 16B.40, subdivision 8; 16B.465, subdivisions 2, 3, and 6; 16B.58, subdivision 5; 129D.14, subdivisions 3, 4, and 6; Minnesota Statutes 1991 Supplement, sections 16B.19, subdivision 2b; 103B.311, subdivision 7; 115A.15, subdivision 9; and 138.94, subdivision 1; and Laws 1991, chapter 345, article 1, section 17, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 2700: A bill for an act relating to the department of employee relations; public employment; removing a committee's expiration date; modifying retirement program options; expanding a bidding requirement exemption; amending Minnesota Statutes 1990, section 43A.316, subdivisions 4, 6, and 10; Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 8; repealing Laws 1990, chapter 589, article 2, section 3.

Referred to the Committee on Governmental Operations.

Mrs. Benson, J.E. introduced—

S.F. No. 2701: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 2702: A bill for an act relating to local governments; reimbursing costs incurred by peace officers in defending civilian complaints; amending Minnesota Statutes 1990, section 471.44.

Referred to the Committee on Judiciary.

Mr. Novak, by request, introduced—

S.F. No. 2703: A bill for an act relating to retirement; public employees retirement association; providing a refund to a member on medical leave.

Referred to the Committee on Governmental Operations.

Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 2704: A bill for an act relating to human services; expanding provider surcharges to include providers not participating in the medical assistance program; modifying provider reimbursement rates; amending Minnesota Statutes 1990, sections 256B.431, subdivision 2i, and by adding a subdivision; and 256B.48, subdivision 1b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.071, subdivisions 3 and 3a; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, 20, and 21; 256B.431, subdivision 3f; and 256B.74, subdivisions 1 and 3; repealing Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B. introduced—

S.F. No. 2705: A bill for an act relating to the environment; providing that a public information meeting must be held before a sanitary district may be created; providing for a hearing; amending Minnesota Statutes 1990, sections 115.19; and 115.20, subdivisions 1, 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 2706: A bill for an act relating to agriculture; restricting ecologically harmful exotic terrestrial plants; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 18.

Referred to the Committee on Agriculture and Rural Development.

Ms. Piper introduced—

S.F. No. 2707: A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Mr. Halberg introduced—

S.F. No. 2708: A bill for an act relating to consumer protection; regulating contracts for solid waste collection services; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Beckman introduced—

S.F. No. 2709: A bill for an act relating to education; authorizing election districts for a newly created school district in Martin county.

Referred to the Committee on Elections and Ethics.

Messrs. Sams, Davis, Bertram, Langseth and Day introduced—

S.F. No. 2710: A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, section 41B.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture and Rural Development.

Ms. Olson, Messrs. Dahl, Merriam, Mrs. Pariseau and Ms. Johnson, J.B. introduced—

S.F. No. 2711: A bill for an act relating to taxation; property; exempting property owned by nonprofit associations used as ice arenas; amending Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2712: A bill for an act relating to taxation; allowing municipalities to impose a tax on cable television services; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2713: A bill for an act relating to trade regulations; providing for the calculation of late payment charges by cable and subscription television companies; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Energy and Public Utilities.

Ms. Reichgott introduced—

S.F. No. 2714: A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by animal distributors; requiring the registration of distributors; prescribing penalties; providing remedies; creating a commission on commercial animal facilities and practices; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Davis and Sams introduced—

S.F. No. 2715: A bill for an act relating to taxation; income; imposing a tax for individuals, estates, and trusts computed as a percentage of federal income tax liability; proposing coding for new law as Minnesota Statutes, chapter 289B; repealing Minnesota Statutes 1990, sections 290.01, subdivisions 19b, 19f, 19g, and 20e; 290.032; 290.067, as amended; 290.0802, as amended; 290.081; and 290.091, as amended; Minnesota Statutes 1991 Supplement, sections 290.01, subdivisions 19a; 290.06, subdivisions 2c and 2d; and 290.0671.

Referred to the Committee on Taxes and Tax Laws.

Ms. Traub, Mr. Vickerman, Ms. Flynn, Mr. Hottinger and Ms. Ranum introduced—

S.F. No. 2716: A bill for an act relating to the department of jobs and training; modifying the duties of the commissioner; removing a council's expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2717: A bill for an act relating to education; authorizing a technical college operated by a school district to merge into a technical college operated by an intermediate school district; providing procedures for a merger; providing procedures for participation of that school district in that intermediate school district; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Pogemiller, Samuelson and Mondale introduced—

S.F. No. 2718: A bill for an act relating to human services; establishing a comprehensive medical rehabilitation services program; proposing coding for new law as Minnesota Statutes, chapter 256J.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 2719: A bill for an act relating to human services; providing that the council for the hearing impaired does not expire; amending duties of the council for the hearing impaired; amending Minnesota Statutes 1990, section 256C.28, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Ms. Ranum introduced—

S.F. No. 2720: A bill for an act relating to human services; clarifying ombudsman access to private data on mentally ill and emotionally disturbed clients; amending Minnesota Statutes 1990, section 245.94, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Langseth and Stumpf introduced—

S.F. No. 2721: A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; amending Laws 1976, chapter 162, section 1, as amended.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott introduced—

S.F. No. 2722: A bill for an act relating to education; clarifying elements of the comprehensive arts planning program; amending Minnesota Statutes

1990, sections 124C.07; 124C.08, subdivision 2; and 124C.09.

Referred to the Committee on Education.

Ms. Olson introduced—

S.F. No. 2723: A bill for an act relating to crimes; defining child endangerment to include situations involving parental operation of motorboats, snowmobiles, and motor vehicles while under the influence of alcohol in violation of law and with a child as a passenger and situations involving permitting a child to be present when a person is unlawfully possessing or using a controlled substance; amending Minnesota Statutes 1990, section 609.378, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Olson introduced—

S.F. No. 2724: A bill for an act relating to waters; control and eradication of Eurasian water milfoil; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Agriculture and Rural Development.

Ms. Olson introduced—

S.F. No. 2725: A bill for an act relating to waters; requiring identification and inspection of watercraft operated in zebra mussel infested waters; authorizing fines for violations; proposing coding for new law in Minnesota Statutes, chapter 86B.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau introduced—

S.F. No. 2726: A bill for an act relating to the environment; clarifying the circumstances under which the commissioner of agriculture may order a corrective action; amending Minnesota Statutes 1990, section 18D.105, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Mr. Renneke introduced—

S.F. No. 2727: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

Messrs. Sams, Davis, Bertram and Day introduced—

S.F. No. 2728: A bill for an act relating to agriculture; establishing a dairy fund in the state treasury; imposing fees; providing for certain milk premium payments to dairy farmers; establishing a Minnesota dairy board; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Agriculture and Rural Development.

Mr. Waldorf introduced—

S.F. No. 2729: A bill for an act relating to state government; creating a legislative commission on occupational regulation; revising state policy on occupational regulation; appropriating money; amending Minnesota Statutes 1990, section 214.001, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations.

Mr. Marty introduced—

S.F. No. 2730: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, section 169.121, subdivisions 1a, 3, and 3b; Minnesota Statutes 1991 Supplement, section 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Morse, Hottinger and Mondale introduced—

S.F. No. 2731: A bill for an act relating to higher education; providing for a public post-secondary student's bill of rights; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Ms. Piper, Mr. Benson, D.D. and Ms. Berglin introduced—

S.F. No. 2732: A bill for an act relating to public health; providing for the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding in Minnesota Statutes, chapters 150A; and 214.

Referred to the Committee on Health and Human Services.

Mrs. Benson, J.E. introduced—

S.F. No. 2733: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for capital planning for the St. Cloud state university library.

Referred to the Committee on Finance.

Mrs. Benson, J.E. introduced—

S.F. No. 2734: A bill for an act relating to state lands; authorizing a conveyance to the city of St. Cloud of certain land owned by the state as a part of St. Cloud State University.

Referred to the Committee on Environment and Natural Resources.

Mrs. Benson, J.E. introduced—

S.F. No. 2735: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for land acquisition and structure demolition at St. Cloud state university.

Referred to the Committee on Finance.

Messrs. Morse, Hottinger, Price and Mrs. Benson, J.E. introduced—

S.F. No. 2736: A bill for an act relating to education; transferring functions of the higher education coordinating board; changing the membership, terms, and functions of the higher education board; allowing the merger of certain technical colleges by agreement; requiring the merger of certain technical and community colleges similarly located; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; 136E.01; 136E.02; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, section 8, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04; 136E.03; 136E.04; 136E.05; Laws 1991, chapter 356, article 9, section 8, subdivisions 3 to 9; and sections 9 to 16.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, March 18, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate