EIGHTY-SIXTH DAY

St. Paul, Minnesota, Friday, March 27, 1992

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

CALL OF THE SENATE

Mr. DeCramer 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. Bruce D. Christie.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 2307.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1992

Mr. President:

I have the honor to announce that the House accedes to the request of the Senate for the return of House File No. 1818 for further consideration.

H.F. No. 1818: A bill for an act relating to local government; authorizing

mail balloting for certain municipalities; amending Minnesota Statutes 1990, sections 204B.45, subdivisions 1 and 2; and 365.51, subdivision 1.

House File No. 1818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1992

Mr. Moe, R.D. moved that H.F. No. 1818 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2608, 2707 and 1903.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 2608: 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; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1649, now on General Orders.

H.F. No. 2707: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county, and the exchange of certain state-owned lands in Aitkin county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2511, now on the Calendar.

H.F. No. 1903: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

Mr. Moe, R.D. moved that H.F. No. 1903 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of S.F. No. 1965 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 2603: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

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

Page 1, line 33, delete "*state*" and insert "*Minnesota*"

Page 1, after line 34, insert:

"*Subd. 3.* [COMMISSIONER.] *"Commissioner" means the commissioner of health.*"

Page 1, line 35, delete "*3*" and insert "*4*"

Page 2, line 5, after "*defined*" insert "*in rules adopted*" and delete "*state health care commission*" and insert "*commissioner*"

Page 2, line 14, delete "*4*" and insert "*5*"

Page 2, lines 17 and 18, delete "*state commission*" and insert "*commissioner*"

Page 2, line 21, delete "*The state health*"

Page 2, delete line 22

Page 2, line 23, delete everything before "*The*" and delete "*commission*" and insert "*commissioner of health*"

Page 2, line 31, delete "*state health care commission*" and insert "*commissioner*"

Page 2, line 34, delete "*commission*" and insert "*commissioner*"

Page 3, line 1, delete "*state commission*" and insert "*commissioner*"

Page 3, line 2, delete "*commission*" and insert "*commissioner*"

Page 3, line 4, after the period, insert "*The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and organizations, except with the permission of the affected individual or organization.*

Subd. 3. [COST CONTAINMENT DUTIES.] *After obtaining the advice*

and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions for purposes of setting regional spending limits and coordinating regional health care systems;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice standards;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] *Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide*

advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] *A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.*

Subd. 6. [RULEMAKING.] *The commissioner shall adopt rules under chapter 14 to implement this chapter.*"

Page 3, line 5, delete "*3*" and insert "*7*"

Page 3, line 6, before "*commission*" insert "*Minnesota health care*"

Page 5, line 1, delete "*set*" and insert "*make recommendations to the commissioner of health and the legislature regarding*"

Page 5, line 2, delete "*undertake*"

Page 5, line 7, before "*health*" insert "*Minnesota*"

Page 5, line 8, delete "*25*" and insert "*24*"

Page 5, line 10, delete "*their*" and insert "*the member's*"

Page 5, delete lines 35 and 36 and insert:

"*(f)* [EMPLOYEE UNIONS.] *The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.*"

Page 6, delete lines 1 and 2

Page 6, line 4, delete "*health,*"

Page 6, line 5, delete everything after the period

Page 6, delete lines 6 to 11

Page 6, delete lines 14 to 36

Page 7, delete lines 1 to 14 and insert:

"*Subd. 3.* [CONFLICTS OF INTEREST.] *No member of the commission may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the commission member has a direct financial interest in the outcome of the commission's proceedings.*

Subd. 4. [IMMUNITY FROM LIABILITY.] *Members of the commission and persons employed by the commissioner are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter, provided the members or persons are acting in good faith.*"

Page 7, delete lines 20 to 26

Renumber the subdivisions in sequence

Page 7, line 28, delete "*services*" and insert "*service*"

Page 7, line 34, delete "*implementation of this chapter, the*" and before "*state*" insert "*commissioner of health, the*"

Page 8, line 8, delete "*state*" and insert "*commissioner of health and the Minnesota*"

Page 8, line 9, delete "*its*" and insert "*their*"

Page 8, lines 17 and 29, delete "*state commission*" and insert "*commissioner*"

Page 8, line 22, delete "*commission*" and insert "*commissioner*"

Page 8, line 35, delete "*their*" and insert "*the member's*"

Page 9, delete lines 22 and 23 and insert:

"*(e)* [EMPLOYEE UNIONS.] *Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.*"

Page 9, line 29, delete "*members*" and insert "*member*"

Page 10, line 25, delete "*state*" and insert "*Minnesota*"

Page 10, line 34, delete everything after the comma and insert "*and make findings and recommendations regarding*"

Page 10, line 35, delete "*on*"

Page 10, line 36, delete "*set*" and insert "*recommend to the commissioner of health and the regional boards*"

Page 11, line 3, delete "*designate*" and insert "*make recommendations to the commissioner regarding the designation of*"

Page 11, line 5, delete "*set*" and insert "*make recommendations to the commissioner regarding*"

Page 11, delete lines 8 to 11 and insert:

"Sec. 7. [62J.17] [TEMPORARY MORATORIUM ON MAJOR CAPITAL EXPENDITURES AND THE INTRODUCTION OF NEW SPECIALIZED SERVICES; EXCEPTIONS.]

Subdivision 1. [PURPOSE.] *To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor contributing to escalating costs is the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits are established under section 2, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending limits are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before limits or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the legislature finds that a restrictive temporary moratorium on major health care spending commitments is necessary.*

Subd. 2. [DEFINITIONS.] *For purposes of this section, the terms defined*

in this subdivision have the meanings given.

(a) [CAPITAL EXPENDITURE.] *"Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.*

(b) [HEALTH CARE SERVICE.] *"Health care service" means:*

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(c) [MAJOR SPENDING COMMITMENT.] *"Major spending commitment" means:*

(1) acquisition of a unit of medical equipment costing more than $250,000;

(2) a capital expenditure of over $300,000 for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before with projected operating costs of over $150,000 a year;

(4) spending over $300,000 on planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4) with a combined total cost of more than $300,000.

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(d) [MEDICAL EQUIPMENT.] *"Medical equipment" means fixed and movable equipment that is used by a provider in the provision of a health care service. "Medical equipment" includes, but is not limited to, the following:*

(1) an extracorporeal shock wave lithotripter;

(2) a computerized axial tomography (CAT) scanner;

(3) a magnetic resonance imaging (MRI) unit;

(4) a positron emission tomography (PET) scanner; and

(5) emergency and nonemergency medical transportation equipment and vehicles.

(e) [NEW SPECIALIZED SERVICE.] *"New specialized service" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:*

(1) cardiac catheterization services involving high-risk patients as defined

in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

(2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

(6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration.

(f) [PROVIDER.] *"Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.*

Subd. 3. [MORATORIUM.] *No provider may make a major spending commitment involving the provision of health care services between May 1, 1992, and July 1, 1993, except as allowed under this section.*

Subd. 4. [EXCEPTIONS.] *A provider may make a major spending commitment authorized under this subdivision after filing a notice with the commissioner and providing supporting documentation and evidence requested by the commissioner that demonstrates that the spending commitment qualifies for an exception under this subdivision. The commissioner shall make a decision on a completed application for an exception by August 1, 1992, or 60 days after an application is submitted, whichever is later. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care capital expenditures to review applications and make recommendations to the commissioner and the commission.*

(a) [SUBSTANTIAL STEPS TAKEN BEFORE APRIL 1, 1992.] *A provider may make a major spending commitment if the provider entered into a contract prior to April 1, 1992, which binds the provider to the spending commitment, or if the provider can prove through contemporaneous documents that the provider took substantial steps toward the spending commitment prior to April 1, 1992. For purposes of this paragraph, "substantial steps" means the provider completed a feasibility study or acquisition plan, obtained preliminary approval from persons responsible for approving the spending commitment, and set in motion a process that would reasonably be expected to lead to making the spending commitment by August 1, 1992.*

(b) [REPLACEMENT.] *A provider may make a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state. A provider may make a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.*

(c) [ACQUISITIONS AND MERGERS.] *This section does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.*

(d) [COST EFFECTIVE SPENDING COMMITMENTS.] *A provider may make a major spending commitment if, in the judgment of the commissioner, the major spending commitment will, over a five-year period, produce a net savings to health care purchasers.*

(e) [RESEARCH AND TEACHING.] *A major spending commitment may be made by a public research and teaching institution or a national referral center described in section 144.551, subdivision 1, paragraph (b), clause (1), for conducting research or clinical trials or for health care education and training purposes.*

(f) [NATIONAL REFERRAL CENTERS.] *A major spending commitment may be made by a provider if the provider demonstrates that at least 40 percent of the patients who will benefit from and pay for the capital expenditure, equipment purchase, or new specialized service are residents of another state.*

(g) [APPROVED EXCEPTIONS TO THE NURSING HOME MORATORIUM.] *A major spending commitment may be made by a nursing home if approval has been granted under section 144A.073 or the nursing home has obtained legislation authorizing the project.*

Subd. 5. [HARDSHIP EXCEPTIONS.] *(a) The commission may approve hardship exceptions to the moratorium on major spending commitments if the proposed major spending commitment satisfies all of the criteria in this subdivision.*

(b) No hardship exception may be approved under this subdivision unless the provider demonstrates that delaying the major spending commitment until July 1, 1993, or later will cause significant and clearly identifiable access problems for patients who would derive a significant benefit as a direct result of the major spending commitment and that the proposed spending commitment is the least costly alternative that will effectively address the access problem.

(c) Major spending commitments involving equipment or new specialized services must satisfy the following criteria in addition to the criteria in paragraph (b):

(1) the equipment or specialized service has been clearly demonstrated by research and clinical trials to be effective and beneficial;

(2) the spending commitment will make available equipment or specialized services that are not currently available within 50 miles of the site of the equipment or new service;

(3) the need for the equipment or specialized service within the area from which the provider normally draws patients is clearly sufficient to justify the major spending commitment without drawing patients away from existing providers who already offer the service or equipment in the area; and

(4) the provider has or can easily acquire the necessary technical expertise, resources, and support to make effective use of the new equipment or service.

Subd. 6. [BURDEN OF PROOF.] *A provider seeking an exception to the moratorium on major spending commitments under subdivision 4 or 5 bears the burden of providing evidence and documentation in the form required by the commissioner that establishes that the provider qualifies for an exception under subdivision 4 or meets the criteria for approval under subdivision*

5.

Subd. 7. [RULEMAKING.] *The commissioner is exempt from the rulemaking requirements of chapter 14 for purposes of implementing this section.*

Subd. 8. [APPEALS.] *A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.*

Subd. 9. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED.] *Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071.*

Subd. 10. [SEVERABILITY IF REVIEW PROCESS CHALLENGED.] *The legislature intends that, if the hardship exception review process in subdivision 4 is enjoined or invalidated by a court, the moratorium in subdivision 3 is severable from the exception review process and must be construed to stand alone without a process for approving exceptions.*

Subd. 11. [REPORT AND RECOMMENDATIONS.] *The Minnesota health care commission, in consultation with the health planning advisory committee and regional coordinating boards, shall submit recommendations to the legislature by January 15, 1993, for a permanent strategy to ensure that major spending commitments are appropriate in terms of the accessibility, affordability, and quality of health care in Minnesota.*"

Page 11, lines 13 and 29, delete "*health care commission*" and insert "*commissioner of health*"

Page 12, line 2, delete "*commission's*" and insert "*commissioner's*"

Page 12, lines 23 and 24, delete "*state commission and the regional boards*" and insert "*commissioner*"

Page 12, line 32, delete "*commission*" and insert "*commissioner*"

Page 13, lines 2 and 3, delete "*health care commission*" and insert "*commissioner*"

Page 13, line 17, delete "*Minnesota health care commission*" and insert "*commissioner*"

Page 13, lines 20 and 36, delete "*state commission*" and insert "*commissioner*"

Page 13, line 21, delete "*to allow the state to sanction*" and insert "*for sanctioning*"

Page 13, line 31, delete "*state*"

Page 13, line 34, delete "*state commission or a regional board*" and insert "*commissioner*"

Renumber the sections of article 1 in sequence

Page 53, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. [NAME.] *Effective July 1, 1993, the name of the public employees insurance plan shall be the pooled employers insurance program. The pooled employers insurance program, as described in section 43A.317, is a continuation and expansion of the public employees insurance plan.*

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. [ELIGIBILITY AND COVERAGE.] *Notwithstanding any contrary provision of section 43A.317, any group enrolled in the public employees insurance plan for a term extending beyond June 30, 1993, will become covered by the pooled employers insurance program pursuant to the terms of their participation agreement with the public employees insurance plan. The commissioner of employee relations may provide such a group the option to convert to alternative coverage if available through the pooled employers insurance program. Upon the expiration of their participating agreement with the public employees insurance plan, the group may enroll in the pooled employers insurance program under section 43A.317, provided the group continues to meet the eligibility criteria that existed on June 30, 1993.*

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

Subd. 13. [TRUST FUND.] *Effective July 1, 1993, all assets and obligations of the public employees insurance trust fund are transferred to the pooled employers insurance trust fund, as described in section 43A.317, subdivision 9.*

Sec. 4. [43A.317] [POOLED EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] *The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.*

Subd. 2. [DEFINITIONS.] *(a)* [SCOPE.] *For the purposes of this section, the terms defined have the meaning given them.*

(b) [COMMISSIONER.] *"Commissioner" means the commissioner of employee relations.*

(c) [ELIGIBLE EMPLOYEE.] *"Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.*

(d) [ELIGIBLE EMPLOYER.] *"Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.*

(e) [ELIGIBLE INDIVIDUAL.] *"Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.*

(f) [EMPLOYEE.] *"Employee" means a common law employee of an eligible employer.*

(g) [EMPLOYER.] *"Employer" means a public or private person, firm, corporation, partnership, association, unit of local government, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.*

(h) [PROGRAM.] *"Program" means the pooled employers insurance program created by this section.*

(i) [PUBLIC EMPLOYER.] *"Public employer" means an employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, or school district as defined in section 120.02; educational cooperative*

service unit as defined in section 123.58; intermediate district as defined in section 136C.02, subdivision 7; cooperative center for vocational education as defined in section 123.351; regional management information center as defined in section 121.935; an education unit organized under a joint powers action under section 471.59; or another public employer approved by the commissioner.

Subd. 3. [ADMINISTRATION.] *The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.*

Subd. 4. [ADVISORY COMMITTEE.] *The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.*

Subd. 5. [EMPLOYER ELIGIBILITY.] *(a)* [PROCEDURES.] *All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.*

(b) [TERM.] *The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.*

(c) [MINNESOTA WORK FORCE.] *An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.*

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] *An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.*

(e) [PRIVATE EMPLOYER.] *A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.*

(f) [MINIMUM PARTICIPATION.] *The commissioner may require as a*

condition of employer eligibility that: (1) a minimum percentage of eligible employees are covered through the program; and (2) the employer makes a minimum level of contribution toward the cost of coverage.

(g) [EMPLOYER CONTRIBUTION.] *The commissioner may require as a condition of employer eligibility that the employer contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.*

(h) [ENROLLMENT CAP.] *The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.*

Subd. 6. [INDIVIDUAL ELIGIBILITY.] *(a)* [PROCEDURES.] *The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.*

(b) [EMPLOYEES.] *An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.*

(c) [OTHER INDIVIDUALS.] *An employer may elect to cover under its plan:*

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer, and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2.

(d) [WAIVER AND LATE ENTRANCE.] *An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 20.*

(e) [CONTINUATION COVERAGE.] *Continuation coverage is available through the program for all qualified beneficiaries as may be required by*

state and federal law.

Subd. 7. [COVERAGE.] *Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. To the extent feasible, the commissioner shall provide coverage through contracts with carriers.*

(a) [HEALTH COVERAGE.] *Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage.*

(b) [OPTIONAL COVERAGES.] *In addition to offering health coverage, the commissioner may arrange to offer life, dental, and disability coverage through the program. Employers with health coverage may choose to offer one or more of these optional coverages according to the terms established by the commissioner. Life and disability insurance may be offered only to public employers.*

(c) [OPEN ENROLLMENT.] *The program must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.*

(d) [TECHNICAL ASSISTANCE.] *The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.*

Subd. 8. [PREMIUMS.] *(a)* [PAYMENTS.] *Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.*

(b) [RATING METHOD.] *The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods may exclude from premiums all or part of the costs for state administration and for maintenance of a premium stability and claim fluctuation reserve, provided that the commissioner shall incorporate these costs into premium as permitted by the size and stability of the program.*

(c) [TAX STATUS.] *Premiums paid to or by the program are exempt from the tax imposed by sections 60A.15 and 60A.198.*

Subd. 9. [POOLED EMPLOYERS INSURANCE TRUST FUND.] *(a)* [CONTENTS.] *The pooled employer insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.*

(b) [APPROPRIATION.] *All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.*

(c) [RESERVES.] *For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves: (1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and (2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997. The commissioner shall repay direct appropriations provided to establish a reserve for the program when the commissioner of finance determines that a sufficient reserve has accumulated to allow repayment.*

(d) [INVESTMENTS.] *The state board of investment shall invest money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.*

Subd. 10. [PROGRAM STATUS.] *The pooled employers insurance program is a state program to provide the advantages of a large pool for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program and, where applicable, the employers enrolled in it do not constitute insurance within the meaning of state law and are not subject to chapters 60A, 62A, 62C, 62D, 62E, 62H, and 62L, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.*

Subd. 11. [EVALUATION.] *The commissioner shall report to the legislature on December 15, 1995, concerning the success of the program in fulfilling the intent of the legislature.*"

Page 59, after line 11, insert:

"Sec. 12. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents."

Page 67, line 3, before "*Minnesota*" insert "*(a)*"

Page 67, after line 4, insert:

"*(b) Minnesota Statutes 1990, section 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9, are repealed effective July 1, 1993.*"

Page 67, line 6, delete "9" and insert "*13*" and delete "*2 to 8, 10*" and insert "*5 to 11, 14*"

Page 67, line 7, delete "*13, and 18*" and insert "*17, and 22*" and delete "*11, 15, 16*" and insert "*15, 19, 20*"

Page 67, line 8, delete "*17*" and insert "*21*"

Renumber the sections of article 3 in sequence

Page 78, line 34, delete "*individuals*" and insert "*members*"

Page 79, line 30, delete everything after the period

Page 79, delete line 31

Page 83, delete section 7 and insert:

"Sec. 7. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory council, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994."

Page 91, lines 22 and 23, delete "*state health care commission*" and insert "*commissioner of health, in consultation with the Minnesota health care commission,*"

Page 91, line 27, delete "*commission*" and insert "*commissioner*"

Page 94, lines 18, 22, 31, and 36, delete "*commission*" and insert "*commissioner*"

Page 97, line 15, delete "*unit*" and insert "*commissioner*" and after "*may*" insert "*appoint peer review panels and*"

Page 97, line 18, delete "*unit*" and insert "*commissioner*"

Page 97, line 23, delete "*shall*" and insert "*must*" and delete "*if*" and insert "*whether*"

Page 97, line 33, delete "*commission*" and insert "*commissioner*"

Page 98, line 7, delete "*is governed by section 15.059*" and insert "*expires upon the submission of its recommendations*"

Page 101, line 19, delete "*commission*" and insert "*commissioner of health and the Minnesota health care commission*"

Page 118, line 5, delete "*Notwithstanding any other law to the contrary,*"

Page 124, delete lines 38 and 39

Amend the title as follows:

Page 1, line 10, delete "a"

Page 1, line 11, delete "subdivision" and insert "subdivisions"

Page 1, line 20, after "16A;" insert "43A;"

Page 1, line 23, after "sections" insert "43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10;"

Page 1, line 24, before the period, insert "; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9"

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

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

S.F. No. 850: A bill for an act relating to commerce; providing a computerized system for notification of security interests in farm products; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A.

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

Delete everything after the enacting clause and insert:

"Section 1. [336A.01] [DEFINITIONS.]

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

Subd. 2. [BUYER IN THE ORDINARY COURSE OF BUSINESS.] *"Buyer in the ordinary course of business" means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.*

Subd. 3. [COMMISSION MERCHANT.] *"Commission merchant" means a person engaged in the business of receiving a farm product for sale on commission or for or on behalf of another person.*

Subd. 4. [COMPUTERIZED FILING SYSTEM.] *"Computerized filing system" means the system created under section 336.9-411 with separate programs for filing and giving notice of effective financing statements and farm products statutory liens.*

Subd. 5. [EFFECTIVE FINANCING STATEMENT.] *"Effective financing statement" means an original or reproduced copy of an original statement that meets the requirements of section 3.*

Subd. 6. [FARM PRODUCT.] *"Farm product" means an agricultural commodity, a species of livestock used or produced in farming operations, or a product of a crop or the livestock in its unmanufactured state, that is in the possession of a person engaged in farming operations.*

Subd. 7. [FARM PRODUCT DEALER.] *"Farm product dealer" means a buyer in the ordinary course of business, a commission merchant, or a selling agent.*

Subd. 8. [FARM PRODUCTS STATUTORY LIEN.] *"Farm products statutory lien" means a lien on farm products which is given by statute or other rule of law for services or materials.*

Subd. 9. [FILING OFFICE.] *"Filing office" means the office of the county*

recorder or the office of the secretary of state.

Subd. 10. [FILING OFFICER.] *"Filing officer" means a county recorder, the secretary of state, or an agent of a county recorder or the secretary of state authorized to accept filings.*

Subd. 11. [LIEN NOTICE.] *"Lien notice" means an original or reproduced copy of an original statement that meets the requirements of section 3.*

Subd. 12. [PERSON.] *"Person" means an individual, partnership, corporation, trust, or other business entity.*

Subd. 13. [SECURITY INTEREST.] *"Security interest" means an interest in farm products that secures payment or performance of an obligation.*

Subd. 14. [SELLING AGENT.] *"Selling agent" means a person, other than a commission merchant, who is engaged in the business of negotiating the sale and purchase of a farm product on behalf of a person engaged in farming operations.*

Sec. 2. [336A.02] [SPECIFICATION OF FARM PRODUCTS.]

The secretary of state shall, by rule, determine which specific farm products will be included in the computerized filing and notification system. Consideration shall be given to the value of the product sold within the state and its marketing system.

Sec. 3. [336A.03] [CONTENTS OF FINANCING STATEMENT OR LIEN NOTICE.]

Subdivision 1. [SUBSTANTIAL COMPLIANCE.] *An effective financing statement or lien notice must substantially comply with this section but may contain minor errors that are not seriously misleading.*

Subd. 2. [CONTENTS.] *(a) An effective financing statement or lien notice must contain:*

(1) a description of the farm products subject to the security interest or farm products statutory lien, including the amount of the farm products, if applicable, and a reasonable description of the location of the property, including the county, where the farm products are located;

(2) the name and address of the secured party or the person entitled to the farm products statutory lien;

(3) the name and address of the debtor;

(4) in the case of an effective financing statement, the social security number of the debtor, or, if the debtor is doing business other than as an individual, the United States Internal Revenue Service taxpayer identification number of the debtor;

(5) in the case of an effective financing statement, the following statement with the appropriate blank checked:

"THIS EFFECTIVE FINANCING STATEMENT . . . . . WILL . . . . . WILL NOT BE TERMINATED WITHIN 30 DAYS OF THE DATE ON WHICH THE OBLIGATION(S) IT SECURES NO LONGER EXIST."; and

(6) in the case of a lien notice, any payment obligations imposed on the buyer, commission merchant, or selling agent as a condition for waiver or release of the farm products statutory lien.

(b) An effective financing statement or lien notice for one or more debtors may cover more than one farm product located in more than one county.

(c) The effective financing statement form and lien notice may not be combined with a Uniform Commercial Code financing statement form.

(d) An effective financing statement must contain the following statement, all in capital letters:

"THE INFORMATION CONTAINED IN THIS EFFECTIVE FINANCING STATEMENT WILL BE SENT TO FARM PRODUCT BUYERS REGISTERED IN MINNESOTA. SALE OF FARM PRODUCTS TO THOSE BUYERS MAY RESULT IN A CHECK BEING ISSUED PAYABLE JOINTLY TO BOTH THE SELLER AND THE SECURED PARTY."

Subd. 3. [SIGNATURES.] *A lien notice must be signed by the lienholder. An effective financing statement must be signed by:*

(1) the secured party; and

(2) the debtor.

Subd. 4. [REQUIRED AMENDMENTS.] *An effective financing statement or lien notice must be amended in writing within three months after material changes occur to reflect the material changes. The amendment to an effective financing statement or a lien statement must be signed and filed in the same manner required for the original document.*

Subd. 5. [EFFECTIVE PERIOD.] *(a) An effective financing statement is effective for five years from the date of filing. The effective period may be extended for additional periods of five years as provided in section 6.*

(b) An effective financing statement is not effective after:

(1) the effective financing statement lapses on the expiration of the effective period; or

(2) a notice that the effective financing statement is terminated is signed by the secured party and filed in the filing office where the original effective financing statement is filed.

(c) A lien notice is not effective after:

(1) five years from the date of filing;

(2) expiration of the period for commencing an action to enforce the lien under applicable Minnesota law; or

(3) the obligation secured by the statutory lien no longer exists.

Sec. 4. [336A.04] [FILING EFFECTIVE FINANCING STATEMENT OR LIEN NOTICE.]

Subdivision 1. [FILING LOCATION.] *An effective financing statement or lien notice must be filed in the office of the secretary of state or the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state. If the debtor is not a resident of this state, the effective financing statement or lien notice must be filed in the office of the secretary of state.*

Subd. 2. [EFFECTIVE FILING.] *Presentation of an effective financing statement or lien notice with the appropriate filing fee to a filing officer or acceptance of the statement by a filing officer constitutes filing under this chapter.*

Subd. 3. [FEES.] *(a) The fee for filing and indexing a standard form for a lien notice, effective financing statement, amendment, or continuation statement, and stamping the date and place of filing on a copy of the filed document furnished by the filing party is $10 when a single debtor name is listed. If more than one debtor's name is listed on a standard form, the fee is $17. If one debtor's name is listed on a nonstandard effective filing statement, assignment or continuation statement, or a nonstandard lien notice or assignment of a lien notice, the fee is $13. If more than one debtor's name is listed on a nonstandard form, the fee is $20.*

(b) The fee for filing an amendment on the standard form that does not add debtors' names to the lien notice or effective financing statement is $10. If a nonstandard form is used, the fee is $13. The fee for an amendment that adds debtors' names is $17 if a standard form is used or $20 if a nonstandard form is used. The fee for filing a partial release is $10 if a standard form is used or $13 if a nonstandard form is used.

(c) A fee may not be charged for filing a termination statement if the termination is filed within 30 days after satisfaction of the lien or security interest. Otherwise, the fee is $10.

(d) A county recorder shall forward $5 of each filing fee collected under this subdivision to the secretary of state by the 15th of the month following the end of each fiscal quarter. The balance of the filing fees collected by a county recorder must be deposited in the general fund of the county.

Subd. 4. [FILING PROCEDURE.] *(a) The filing officer shall mark the effective financing statement or lien notice with a consecutive file number and the date and hour of filing.*

(b) The filing office shall maintain the original filed document or a microfilm or other photographic copy of the filed document for public inspection as provided in rule by the secretary of state.

(c) The filing office shall index filed documents according to the file number of the document.

Subd. 5. [ENTERING FILING INFORMATION INTO COMPUTERIZED FILING SYSTEM.] *Each filing office shall enter the information from the filed documents into the computerized filing system as prescribed by the secretary of state.*

The secretary of state shall record lien notices in the computerized filing system in a manner that separately identifies all farm products statutory liens, and shall ensure that the computerized filing and notification system distinguishes security interests covered by effective financing statements from liens covered by lien notices to the extent required by United States Code, title 7, section 1631, et seq., and regulations adopted under those sections.

Subd. 6. [VERIFICATION OF INFORMATION.] *A person who has filed an effective financing statement or lien notice may verify the accuracy of the information entered into the computerized filing system and compiled into the master list by making an inquiry under section 9. The secretary of state shall establish a procedure for requesting an inquiry to verify the accuracy of the information at the time of filing.*

Sec. 5. [336A.05] [EFFECT OF FILING ON PERFECTION AND PRIORITY.]

Filing under this chapter does not affect the perfection or priority of security interests filed under the Uniform Commercial Code or a farm products statutory lien filed in accordance with the provisions of law under which it was created.

Sec. 6. [336A.06] [CONTINUATION STATEMENT.]

Subdivision 1. [FILING PERIOD.] *A secured party may file a continuation statement for an effective financing statement within six months before a five-year effective period expires.*

Subd. 2. [CONTENTS.] *A continuation statement must:*

(1) be signed by the secured party and the debtor;

(2) identify the original effective financing statement by file number; and

(3) state that the original effective financing statement is still effective.

Subd. 3. [EFFECTIVE PERIOD.] *If a continuation statement is filed within six months before a five-year effective period expires, the effectiveness of the original effective financing statement continues for an additional five years after the original five-year effective period. Additional continuation statements filed within six months before an effective period expires continue the effectiveness of the original effective financing statement for additional five-year periods.*

Subd. 4. [FILING.] *The continuation statement must be filed in the filing office where the original effective financing statement is filed.*

Sec. 7. [336A.07] [TERMINATION STATEMENTS.]

Subdivision 1. [REQUIREMENT.] *(a) If required in an effective financing statement, a secured party shall within 30 days file a lien termination statement and termination statement for the effective financing statement when:*

(1) an outstanding secured obligation does not exist; and

(2) a written commitment to make advances, incur obligations, or otherwise give value does not exist.

(b) A lienholder shall file a termination statement with respect to a lien notice within 30 days after an outstanding lien notice obligation no longer exists.

Subd. 2. [CONTENTS.] *A lien termination statement and termination statement for the effective financing statement must:*

(1) state the file number of the effective financing statement or lien notice;

(2) state the date on which the lien or security interest was satisfied;

(3) state that the secured party does not claim a security interest under the effective financing statement or that the lienholder does not claim a lien under the lien notice; and

(4) be signed by the secured party or lienholder.

Subd. 3. [FILING.] *A termination statement for an effective financing statement must be filed by the secured party in the filing office where the original effective financing statement is filed. A termination statement for the lien notice must be filed by the lienholder in the same manner required for filing the lien notice.*

Subd. 4. [FAILURE TO FILE.] *If the secured party or lienholder fails to file a termination statement as required by subdivision 1, or within ten days after a debtor serves a written demand for the termination statement if the conditions in subdivision 1 exist, the secured party or lienholder is liable to the debtor for $100 plus any loss caused to the debtor by failing to file the termination statement. For the second and each subsequent time a secured party or lienholder is found liable to a debtor under this subdivision in any one calendar year, the secured party or lienholder is liable to the debtor for $250 plus any loss caused to the debtor.*

Subd. 5. [FILING PROCEDURES.] *(a) When a termination statement is filed, each filing office must delete the information from the active files as prescribed by the secretary of state.*

(b) If the termination statement is filed in duplicate, the filing office shall return one copy of the termination statement, stamped to show the time of receipt, to the secured party or lienholder.

Sec. 8. [336A.08] [MASTER LIST.]

Subdivision 1. [COMPILATION.] *(a) The secretary of state shall compile the information on effective financing statements in the computerized filing system into a master list:*

(1) organized according to farm product;

(2) arranged within each product:

(i) in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors;

(ii) in numerical order according to the social security number of the individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors;

(iii) geographically by county; and

(iv) by crop year; and

(3) containing the information provided on an effective financing statement.

(b) The secretary of state shall compile information from lien notices recorded in the computerized filing system into a statutory lien master list in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors. The secretary of state may also organize the statutory lien master list according to one or more of the categories of information established in paragraph (a).

Subd. 2. [REMOVAL OF EFFECTIVE FINANCING STATEMENTS AND LIEN NOTICES.] *The secretary of state shall remove lapsed and terminated effective financing statements and lien notices from the computerized filing system before preparing master lists.*

Subd. 3. [REQUEST FOR PARTIAL MASTER LIST.] *If requested by a buyer registered under section 11, the secretary of state shall distribute partial master lists to the buyer that are limited to one or more of the categories in subdivision 1, paragraph (a).*

Subd. 4. [DISTRIBUTION OF MASTER AND PARTIAL LISTS.] *(a) The secretary of state shall maintain the information on the effective financing statement master list:*

(1) by farm product arranged alphabetically by debtor; and

(2) by farm product arranged numerically by the debtor's social security number for an individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors.

(b) The secretary of state shall maintain the information in the farm products statutory lien master list by county arranged alphabetically by debtor.

(c) The secretary of state shall distribute the requested master and partial master lists on a monthly basis to farm product dealers registered under section 11. The secretary of state may, by rule, establish that lists of certain farm products must be distributed more frequently.

(d) The secretary of state shall, by rule, establish:

(1) dates when the distribution of lists will be made;

(2) dates after which a filing of an effective financing statement or lien notice will not be reflected on the next lists distributed; and

(3) dates by which a registrant must complete a registration to receive the next list distributed.

(e) The secretary of state shall make the master and partial master lists available as written or printed paper documents and may make lists available in other forms or media, including:

(1) microfiche;

(2) magnetic tape;

(3) electronically transmitted medium; or

(4) computer disk.

(f) There shall be no fee for partial or master lists distributed on microfiche, magnetic tape, electronically transmitted medium, computer disk, or comparable media.

(g) At the request of a farm product dealer registered under section 11, the secretary of state shall deliver lists at cost by certified or registered mail, return receipt requested.

Sec. 9. [336A.09] [INQUIRIES.]

Subdivision 1. [PROCEDURE.] *(a) Oral and written inquiries regarding information provided by the filing of effective financing statements or lien notices may be made at any filing office during regular business hours.*

(b) A filing office receiving an oral or written inquiry shall, upon request, provide an oral or facsimile response to the inquiry and must mail a confirmation of the inquiry in writing by the end of the next business day after the inquiry is received.

(c) A filing office shall maintain a record of inquiries made under this section including:

(1) the date of the inquiry;

(2) the name of the debtor inquired about; and

(3) identification of the person making the request for inquiry.

Subd. 2. [SEARCHES; FEES.] *(a) If a person makes a request, the filing officer shall conduct a search of the computerized filing system for effective financing statements or lien notices and statements of assignment, continuation, amendment, and partial release of a particular debtor. The filing officer shall report the date, time, and results of the search by issuing:*

(1) a certificate listing the file number, date, and hour of each effective financing statement found in the search and the names and addresses of each secured party on the effective financing statements or of each lien notice found in the search and the names and address of each lienholder on the lien notice;

(2) photocopies of the original effective financing statement or lien notice documents on file; or

(3) upon request, both the certificate and photocopies of the effective financing statements or lien notices.

(b) The uniform fee for conducting a search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, is $10 per debtor name if the request is in the standard form prescribed by the secretary of state and otherwise is $13 per debtor name. An additional fee of 50 cents must be charged for each listed filing and for each photocopy prepared in excess of the first five. If an oral or facsimile response is requested, there is an additional fee of $5 per debtor.

(c) A county recorder shall forward $3 of each search fee collected under this subdivision to the secretary of state by the 15th of the month following each fiscal quarter. The balance of the search fees collected by a county recorder must be deposited in the general fund of the county.

Sec. 10. [336A.10] [LIABILITY FOR INFORMATION ERRORS.]

Except as provided in sections 609.87 to 609.891, the state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability as a result of errors or omissions in information supplied under this chapter.

Sec. 11. [336A.11] [REGISTRATION OF FARM PRODUCT DEALERS.]

Subdivision 1. [REQUIREMENTS.] *Farm product dealers may register with the secretary of state to receive master lists of notices of security interests in farm products or farm products statutory liens. Registration must be made on an annual calendar year basis. A registration is not complete until the registration form is properly completed and received by the secretary of state and accompanied by the registration fee. Registration entitles a farm product dealer to receive lists for those farm products specified by the registrant at the time of registration.*

Subd. 2. [REGISTRATION FORMS.] *The secretary of state shall make registration forms available to farm product dealers. The secretary of state must also make registration forms available to the commissioner of agriculture for distribution to applicants for licensure under section 17A.04 or 223.17. The registration form must include provisions for the name and address of the farm product dealer, a request for the master or partial master*

lists, and the medium on which the farm product dealer desires to receive the master list.

Subd. 3. [REGISTRATION FEE.] *The annual registration fee for farm product dealers is $25.*

Subd. 4. [RECORD OF REGISTERED FARM PRODUCT DEALERS.] *The secretary of state shall maintain a record of the registered farm product dealers and the lists and contents of the lists received by the registered farm product dealers for a period of five years after the lists are distributed.*

Sec. 12. [336A.12] [RULES.]

Subdivision 1. [AUTHORITY.] *(a) The secretary of state may adopt permanent rules to implement this chapter.*

(b) If necessary to obtain federal certification of the computerized filing system, additional or alternative requirements made in conformity with United States Code, title 7, section 1631, may be adopted by the secretary of state by rule.

Subd. 2. [FORMS.] *The secretary of state shall prescribe forms to be used for effective financing statements, lien notices, combined forms, amendments, continuation statements, termination statements, and notices to debtors.*

Sec. 13. [336A.13] [RECEIPT OF WRITTEN NOTICE.]

For purposes of United States Code, title 7, section 1631, and this chapter, receipt of written notice means the date the notice is actually received by a farm product dealer or the first date that delivery is attempted by a carrier. A farm product dealer must act in good faith. A farm product dealer is presumed to have received the notice by five business days after it was mailed unless by ten days after it was mailed the farm product dealer notifies the secretary of state in writing that it has not received the notice by that time.

Sec. 14. [336A.14] [RESTRICTED USE OF INFORMATION.]

Information obtained from the seller of a farm product relative to the social security number or tax identification number of the true owner of the farm product and all information obtained from the master or limited list may not be used for purposes that are not related to: (1) purchase of a farm product; (2) taking a security interest against a farm product; or (3) perfecting a farm product statutory lien.

Sec. 15. [336A.15] [BUYERS TAKING FREE OF AND SUBJECT TO FARM PRODUCTS STATUTORY LIENS.]

Subdivision 1. [TAKING FREE OF LIEN.] *Except as provided in subdivision 2, and notwithstanding other law or rule to the contrary, a buyer in the ordinary course of business who buys farm products from a seller engaged in farming operations takes free of a farm products statutory lien applicable to the purchased farm products even though the farm products statutory lien is perfected and the buyer knows the lien exists.*

Subd. 2. [TAKING SUBJECT TO LIEN.] *A buyer in the ordinary course of business of farm products takes subject to a farm products statutory lien applicable to the purchased farm products if the lienholder has perfected the farm products statutory lien and:*

(1) the buyer has failed to register with the secretary of state as provided

in section 11; or

(2) the buyer has registered with the secretary of state as provided in section 11, the buyer receives a notice from the secretary of state specifying that the seller and the farm products being sold are subject to a lien notice, and the buyer fails to secure a waiver or release of the farm products statutory lien specified in the lien notice by making a payment, satisfying an obligation, or otherwise.

Sec. 16. [336A.16] [COMMISSION MERCHANTS AND SELLING AGENTS SUBJECT TO FARM PRODUCTS STATUTORY LIEN.]

Subdivision 1. [SELLING NOT SUBJECT TO LIEN.] *Except as provided in subdivision 2, and notwithstanding other law or rule to the contrary, a commission merchant or selling agent who sells farm products for others is not subject to a farm products statutory lien even though the farm products statutory lien is perfected and the commission merchant or selling agent knows the lien exists.*

Subd. 2. [SELLING SUBJECT TO LIEN.] *A commission merchant or selling agent selling farm products for another person is subject to a farm product statutory lien applicable to the purchased farm products if the lienholder has perfected the farm products statutory lien and:*

(1) the commission merchant or selling agent has failed to register with the secretary of state as provided in section 11; or

(2) the commission merchant or selling agent has registered with the secretary of state as provided in section 11, the commission merchant or selling agent receives a notice from the secretary of state specifying that the seller and the farm products being sold are subject to a lien notice, and the commission merchant or selling agent fails to secure a waiver or release of the farm products statutory lien specified in the lien notice by making a payment, satisfying an obligation, or otherwise.

Sec. 17. [336A.17] [FARM PRODUCTS FILING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] *The farm products filing account is established as an account in the state treasury. Money received by the secretary of state under this chapter must be deposited in the state treasury and credited to the farm products filing account.*

Subd. 2. [APPROPRIATION.] *Money in the farm products filing account is continuously appropriated to the secretary of state.*

Sec. 18. [APPLICATION FOR CERTIFICATION.]

The secretary of state shall apply to the secretary of the United States Department of Agriculture for certification of the computerized filing system.

Sec. 19. [MULTIPLE PAYEE DISPUTES; STUDY, REPORT, AND RECOMMENDATION.]

Not later than February 1, 1993, the commissioner of commerce shall report to the legislature on the findings of a study concerning problems arising out of disputes as to the allocation of proceeds among multiple payees on bank drafts for the purchase of farm products. The commissioner shall include findings regarding the extent of such problems, current formal and informal methods used to resolve such disputes, and recommendations, as appropriate, for eliminating or minimizing such disputes.

Sec. 20. [APPROPRIATION.]

Subdivision 1. [FARM PRODUCTS FILING ACCOUNT.] *$ . . . . . is appropriated from the general fund for transfer to the farm products filing account for implementation and maintenance of the computerized farm products filing and notification system to be available until expended.*

Subd. 2. [COMPLEMENT.] *The approved complement of the office of the secretary of state is increased by . . . . . persons.*

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07, are repealed.

Sec. 22. [EFFECTIVE DATE.]

This act is effective the day after final enactment except that the provisions relating to the computerized farm product filing and notification system are not effective until the secretary of state notifies the public and the filing officers that the computerized system is operational. The secretary of state shall give notice of the computerized system being operational at least 30 days before the operational date. The operational date shall be no earlier than January 1, 1993."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for a central computerized filing system for effective financing statements and farm products statutory lien notices; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07."

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

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

S.F. No. 2510: A bill for an act relating to transportation; providing for final design and construction of light rail transit by the commissioner of transportation; amending Minnesota Statutes 1990, sections 174.32, subdivisions 2 and 3; 222.50, subdivision 7; 398A.04, by adding a subdivision; 473.167, subdivision 1; 473.384, subdivision 2; 473.399, subdivisions 1 and 3; 473.3994, subdivisions 2, 3, 4, 5, and 7; 473.3996; and 473.4051; Minnesota Statutes 1991 Supplement, sections 117.57, subdivision 3; 398A.04, subdivision 8; and 473.3997; Laws 1991, chapter 291, article 4, section 20; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; Minnesota Statutes 1991 Supplement, section 473.3998.

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 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] ~~(a)~~ The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and

20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. ~~Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).~~

~~(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds.~~

Sec. 2. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may exercise the powers granted in this chapter and chapter 473, as necessary, to plan, design, acquire, construct, and equip light rail transit facilities in the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 473.167, subdivision 1, is amended to read:

Subdivision 1. [CONTROLLED ACCESS HIGHWAYS; *AND TRANSIT FIXED-GUIDEWAYS;* COUNCIL APPROVAL.] Before acquiring land for or constructing a controlled access highway *or transit fixed-guideway* in the area, the state transportation department or local government unit proposing the acquisition or construction shall submit to the council a statement describing the proposed project. The statement must be in the form and detail required by the council. Immediately upon receipt of the statement, the council shall transmit a copy to the regional transit board, which shall review and evaluate the project in relationship to the board's implementation plan and report its recommendations and comments to the council. The council shall also review the statement to ascertain its consistency with its policy plan and the development guide. No project may be undertaken unless the council determines that it is consistent with the policy plan and implementation plan. This approval is in addition to the requirements of any other statute, ordinance or rule.

Sec. 4. Minnesota Statutes 1990, section 473.399, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan~~,~~ as ~~provided in this section~~ *part of the implementation plan pursuant to section 473.161*, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid

duplication of effort.

(b) The regional plan required by this section must be adopted by the board before ~~any regional railroad authority~~ *the commissioner of transportation* may begin construction of light rail transit facilities and before ~~any authority is eligible for state financial assistance~~ *the commissioner may expend funds appropriated or obtained through bonding* for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority ~~or other developer of light rail transit in the metropolitan area~~ *and the commissioner of transportation* shall act in conformity with the plan. ~~Each authority or proposer~~ *The commissioner* shall prepare or amend ~~its comprehensive plan and preliminary and~~ *the* final design plans as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

Sec. 5. Minnesota Statutes 1990, section 473.3994, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.] Before ~~preparing~~ final design plans *are prepared* for a light rail transit facility, the ~~political subdivision proposing the facility~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* must hold a public hearing on the physical design component of the preliminary design plans. The ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

Sec. 6. Minnesota Statutes 1990, section 473.3994, subdivision 3, is amended to read:

Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* shall submit the physical design component of the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town ~~and~~, the ~~proposer~~ *commissioner of transportation, and the regional railroad authority or authorities in whose jurisdiction the line or lines are located.*

Sec. 7. Minnesota Statutes 1990, section 473.3994, subdivision 4, is amended to read:

Subd. 4. [PRELIMINARY DESIGN PLANS; ~~REGIONAL TRANSIT~~

~~BOARD~~ *METROPOLITAN COUNCIL* REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* may refer the plans, along with any comments of local jurisdictions, to the ~~regional transit board~~ *metropolitan council*. The ~~board~~ *council* shall hold a hearing on the plans, giving the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located*, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The ~~board~~ *council* may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the ~~board~~ *council* shall review the plans submitted by the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Sec. 8. Minnesota Statutes 1990, section 473.3994, subdivision 5, is amended to read:

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the ~~proposer~~ *commissioner* shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the ~~proposer~~ *commissioner*.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the ~~proposer~~ *commissioner* may refer the plans, along with any comments of local jurisdictions, to the ~~regional transit board~~ *metropolitan council*. The ~~board~~ *council* shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Sec. 9. Minnesota Statutes 1990, section 473.3994, subdivision 6, is amended to read:

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area must submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. ~~The proposer of the facility may not proceed with construction of the facility without the approval of the county.~~

Sec. 10. Minnesota Statutes 1990, section 473.3994, subdivision 7, is amended to read:

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter~~

~~398A~~ *the commissioner* must submit preliminary and final design plans to the metropolitan council. The council must review the plans for consistency with the council's development guide and ~~comment on~~ *approve* the plans.

Sec. 11. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 10. [CORRIDOR MANAGEMENT COMMITTEE.] *A corridor management committee shall be established to advise the commissioner of transportation in the design and construction of light rail transit in each corridor to be constructed. The corridor management committee shall consist of the members of the light rail transit joint powers board established pursuant to section 473.3998 and one representative from each city in which the corridor is located. Additionally, the commissioner of transportation, the chair of the metropolitan council, the chair of the regional transit board, and the chair of the metropolitan transit commission shall each appoint a member to the committee. For the corridor between Minneapolis and St. Paul, the University of Minnesota shall appoint one member to the committee. The member representing the regional transit board shall chair the committee.*

The corridor management committee shall advise the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located on issues relating to the alternatives analysis, environmental review, preliminary design, preliminary engineering, final design, implementation method, and construction of light rail transit.

Sec. 12. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 11. [REGIONAL RAILROAD AUTHORITY REVIEW.] *The commissioner must submit to each regional rail authority in which the corridor is located, for review and approval, the following:*

(1) preliminary design and preliminary engineering plans; and

(2) final design plans.

The commissioner must submit major contract changes during construction to each regional rail authority in which the corridor is located for review and comment.

Sec. 13. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 12. [ALTERNATIVES ANALYSIS; ENVIRONMENTAL REVIEW.] *For light rail transit lines to be constructed in the metropolitan area, the regional railroad authority or authorities in whose jurisdiction a line or lines are to be constructed and the commissioner of transportation shall jointly prepare an alternatives analysis, the environmental review documents required, and the preliminary engineering plan. The council must approve the design for the alternatives analysis and the completed alternatives analysis. The department of transportation shall be the responsible governmental unit.*

Sec. 14. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 13. [DISPUTE RESOLUTION.] *In the event of a dispute between*

any of the parties arising from the parties' respective authority and responsibility under this section or section 473.3998, the dispute shall be submitted to the metropolitan council for final resolution by any party to the dispute. The metropolitan council shall establish by July 1, 1992, a process to ensure a prompt and speedy resolution of the dispute. This process shall allow the parties to provide evidence and testimony in support of their positions.

Sec. 15. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY DESIGN PLANS; REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN PLANS.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section 473.3994, subdivision 5, the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* shall submit preliminary design plans to the regional transit board for review. The board shall review the preliminary design plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the regional light rail transit plan prepared under section 473.399. The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located.* If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the ~~proposer~~ *commissioner of transportation* shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. ~~A proposer~~ *The commissioner* may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. Following approval of final design plans by the board, if ~~a regional railroad authority~~ *the commissioner* wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the ~~authority~~ *commissioner* may not proceed with construction until ~~it~~ *the commissioner* has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the ~~authority~~ *commissioner*.

Sec. 16. Minnesota Statutes 1991 Supplement, section 473.3997, is amended to read:

473.3997 [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

~~By July 1, 1992,~~ *(a)* The regional transit board, ~~the regional rail authorities, and~~ the commissioner of transportation, *and the affected regional rail authorities* shall ~~jointly~~ prepare ~~any~~ *a joint* application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted *by the board and the commissioner. In reviewing the application the council must consider the information submitted to it under section 473.3994, subdivision 9.* The board~~, the rail authorities,~~ and the commissioner must consult with the council in preparing the application. ~~The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.~~

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

Sec. 17. Minnesota Statutes 1991 Supplement, section 473.3998, is amended to read:

473.3998 [LIGHT RAIL TRANSIT JOINT POWERS BOARD.]

A light rail transit joint powers board shall be formed under section 471.59 ~~to implement light rail transit final design and construction of the corridors funded solely with federal and county funds. The board shall consist of a~~ *consisting of one* voting member from ~~the metropolitan transit commission, the department of transportation, the regional transit board, the metropolitan council, and~~ the regional rail authorities of Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, and Carver counties~~, plus an additional voting member from a county regional rail authority with a corridor in which final design has begun~~.

The board shall review and approve light rail transit system standards to be used by the commissioner in designing and building a light rail transit facility and shall review and approve the plan for community involvement and the marketing program. The board shall advise the corridor management committee established pursuant to section 473.3994, subdivision 10, and the commissioner on the method of implementation. All members of the board shall be members of the corridor management committee established pursuant to section 473.3994, subdivision 10.

Sec. 18. Minnesota Statutes 1990, section 473.4051, is amended to read:

473.4051 [LIGHT RAIL TRANSIT OPERATION.]

The transit commission shall operate ~~regional railroad authority~~ light rail transit facilities and services upon completion of construction of the facilities and the commencement of revenue service using the facilities. The ~~regional railroad authority~~ *commissioner of transportation* and the commission may not allow the commencement of revenue service until after an appropriate period of acceptance testing to ensure satisfactory performance. In assuming the operation of the system, the transit commission must comply with section 473.415. The commission shall coordinate operation of the light rail transit system with bus service to avoid duplication of service on a route served by light rail transit and to ensure the widest possible access to light rail transit lines in both suburban and urban areas by means of a feeder bus system. ~~If the regional plan prepared by the transit board under section 473.399 calls for construction and operation of light rail transit facilities in a jurisdiction~~

~~whose governing body has chosen not to organize and proceed under chapter 398A, the board may authorize the transit commission to implement the plan in that area.~~

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; and 473.3991, are repealed.

Laws 1991, chapter 291, article 4, section 20, is repealed.

Sec. 20. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; amending Minnesota Statutes 1990, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.399, subdivision 1; 473.3994, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 473.3996; 473.4051; Minnesota Statutes 1991 Supplement, sections 473.3997; and 473.3998; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; 473.3991; and Laws 1991, chapter 291, article 4, section 20."

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. 2743: A bill for an act relating to insurance; Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1991 Supplement, sections 62E.10, subdivision 9; and 62E.12.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2~~;~~.

(b) The policy must cover preexisting conditions during the first six

months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage~.

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured~.

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages~.

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium~.

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) if suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) the policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended~.

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program~.

(h) No issuer of Medicare supplement policies, *including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq.*, in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B~.

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for ~~similar~~

benefits to the extent the time was spent under the original policy~~;~~.

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44~~; and~~.

(k) The policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

(l) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

(m) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost-sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with the changes.

As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificate holders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the commissioner. Such notice shall:

(1) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and

(2) inform each policyholder or certificate holder as to when any premium adjustment is to be made, due to changes in Medicare.

The notice of benefit modifications and any premium adjustments must be in outline form and in clear and simple terms so as to facilitate comprehension.

The notices must not contain or be accompanied by any solicitation.

(n) Termination by an issuer of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss that began while the policy or certificate was in force, but the extension of benefits beyond the period during which the policy or certificate was in force may be conditioned on the continuous total disability of the insured, limited to the duration of the policy or certificate benefit period, if any, or payment of the maximum

benefits. The extension of benefits does not apply when the termination is based on fraud, misrepresentation, or nonpayment of premium. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner in writing its decision at least 30 days before discontinuing the availability of the form of the policy or certificate. An issuer that discontinues the availability of a policy form or certificate shall not file for approval a new policy form or certificate form of the same type for the same Medicare supplement benefit plan as the discontinued form for five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate. The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this section. A change in the rating structure or methodology shall be considered a discontinuance under this section unless the issuer complies with the following requirements:

(1) the issuer provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resulting rates differ from the existing rating methodology and resulting rates; and

(2) the issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The commissioner may approve a change to the differential that is in the public interest.

(o)(1) Except as provided in clause (2), the Minnesota experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in section 62A.36. For purposes of this section, a basic Medicare supplement plan and optional riders to the basic form offered by the issuer are one form;

(2) forms assumed under an assumption reinsurance agreement shall not be combined with the Minnesota experience of other forms for purposes of the refund or credit calculation.

(p) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate

additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis, other than incidentally, to a person eligible for Medicare by reason of age shall provide to such applicants a Medicare Supplement Buyer's Guide in the form developed by the Health Care Financing Administration and in a type size no smaller than 12-point type. Delivery of the Buyer's Guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section. Except in the case of direct response issuers, delivery of the Buyer's Guide must be made to the applicant at the time of application, and acknowledgment of receipt of the Buyer's Guide must be obtained by the issuer. Direct response issuers shall deliver the Buyer's Guide to the applicant upon request, but no later than the time at which the policy is delivered.

(q)(1) An issuer, directly or through its producers, shall:

(i) establish marketing procedures to ensure that a comparison of policies by its agents or other producers will be fair and accurate;

(ii) establish marketing procedures to ensure that excessive insurance is not sold or issued;

(iii) establish marketing procedures that set forth a mechanism or formula for determining whether a replacement policy or certificate contains benefits clearly and substantially greater than the benefits under the replaced policy or certificate;

(iv) display prominently by type or other appropriate means, on the first page of the policy or certificate, the following:

"Notice to buyer: This policy or certificate may not cover all of your medical expenses";

(v) inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of the insurance;

(vi) establish auditable procedures for verifying compliance with this paragraph;

(2) in addition to the practices prohibited in chapter 72A, the following acts and practices are prohibited:

(i) knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or issuers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance with another insurer;

(ii) employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance;

(iii) making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company;

(3) the terms "Medicare supplement," "medigap," and words of similar import shall not be used unless the policy or certificate is issued in compliance with this subdivision.

(r) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; and

(3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

Sec. 2. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 3. [DEFINITIONS.] *(a) "Accident," "accidental injury," or "accidental means" means to employ "result" language and does not include words that establish an accidental means test or use words such as "external," "violent," "visible wounds," or similar words of description or characterization.*

(1) The definition shall not be more restrictive than the following: "Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force."

(2) The definition may provide that injuries shall not include injuries for which benefits are provided or available under a workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

(b) "Applicant" means:

(1) in the case of an individual Medicare supplement policy or certificate, the person who seeks to contract for insurance benefits; and

(2) in the case of a group Medicare supplement policy or certificate, the

proposed certificate holder.

(c) "Benefit period" or "Medicare benefit period" shall not be defined more restrictively than as defined in the Medicare program.

(d) "Certificate" means a certificate delivered or issued for delivery in this state or offered to a resident of this state under a group Medicare supplement policy or certificate.

(e) "Certificate form" means the form on which the certificate is delivered or issued for delivery by the issuer.

(f) "Convalescent nursing home," "extended care facility," or "skilled nursing facility" shall not be defined more restrictively than as defined in the Medicare program.

(g) "Health care expenses" means expenses of health maintenance organizations associated with the delivery of health care services which are analogous to incurred losses of insurers. The expenses shall not include:

(1) home office and overhead costs;

(2) advertising costs;

(3) commissions and other acquisition costs;

(4) taxes;

(5) capital costs;

(6) administrative costs; and

(7) claims processing costs.

(h) "Hospital" may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the joint commission on accreditation of hospitals, but not more restrictively than as defined in the Medicare program.

(i) "Issuer" includes insurance companies, fraternal benefit societies, health care service plans, health maintenance organizations, and any other entity delivering or issuing for delivery Medicare supplement policies or certificates in this state or offering these policies or certificates to residents of this state.

(j) "Medicare" shall be defined in the policy and certificate. Medicare may be defined as the Health Insurance for the Aged Act, title XVIII of the Social Security Amendments of 1965, as amended, or title I, part I, of Public Law Number 89-97, as enacted by the 89th Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as amended.

(k) "Medicare eligible expenses" means health care expenses covered by Medicare, to the extent recognized as reasonable and medically necessary by Medicare.

(l) "Medicare supplement policy or certificate" means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., or an issued policy under a demonstration project authorized under amendments to the federal Social Security Act.

which is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare.

(m) "Physician" shall not be defined more restrictively than as defined in the Medicare program or section 62A.04, subdivision 1, or 62A.15, subdivision 3a.

(n) "Policy form" means the form on which the policy is delivered or issued for delivery by the issuer.

(o) "Sickness" shall not be defined more restrictively than the following:

"Sickness means illness or disease of an insured person."

The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under a workers' compensation, occupational disease, employer's liability, or similar law.

Sec. 3. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITED POLICY PROVISIONS.] *A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare.*

Sec. 4. Minnesota Statutes 1990, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to ~~chapter 62E~~ *section 62E.07*, and will provide:

(1) coverage for all of the Medicare part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B and coverage of the Medicare deductible amount;

(4) 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, not covered by Medicare's eligible expenses;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; ~~and~~

(6) 100 percent of the cost of immunizations~~;~~ *and routine screening procedures for cancer, including mammograms and pap smears;*

(7) preventive medical care benefit: coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education

to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinauria;

(C) pure tone (air only) hearing screening test administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of $120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) At-home recovery benefit: Coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) For purposes of this benefit, the following definitions shall apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of $40 per visit;

(III) $1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 5. Minnesota Statutes 1991 Supplement, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

(6) 100 percent of the cost of immunizations *and routine screening procedures for cancer screening including mammograms and pap smears.*

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of usual and customary eligible medical expenses, *not to exceed any charge limitation established by the Medicare program,* and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;

(3) coverage for all of the Medicare part B annual deductible; ~~and~~

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses.

In the event the authority or requirement to offer a Medicare select policy or certificate under section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, Public Law Number 101-508, is repealed or terminated, nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders~~.~~, *provided the requirement is not in violation of federal law;*

(5) coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinauria;

(C) pure tone (air only) hearing screening test, administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes, to a maximum of $120 annually under this benefit. This benefit shall not include payment for a procedure covered by Medicare;

(6) coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery;

(i) For purposes of this benefit, the following definitions apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aid, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) Coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) Coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of $40 per visit;

(III) $1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) Coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 6. [62A.317] [STANDARDS FOR CLAIMS PAYMENT.]

(a) An issuer shall comply with section 1882(c)(3) of the federal Social Security Act, as enacted by section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987 (OBRA), Public Law Number 100-203, by:

(1) accepting a notice from a Medicare carrier on duly assigned claims submitted by Medicare participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

(2) notifying the Medicare participating physician or supplier and the beneficiary of the payment determination;

(3) paying the Medicare participating physician or supplier directly;

(4) furnishing, at the time of enrollment, each enrollee with a card listing the policy or certificate name, number, and a central mailing address to which notices from a Medicare carrier may be sent;

(5) paying user fees for claim notices that are transmitted electronically or otherwise; and

(6) providing to the Secretary of Health and Human Services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

(b) Compliance with the requirements in paragraph (a) shall be certified on the Medicare supplement insurance experience reporting form.

Sec. 7. [62A.319] [REPORTING OF MULTIPLE POLICIES.]

Subdivision 1. [ANNUAL REPORT.] *On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:*

(1) the policy and certificate number; and

(2) the date of issuance.

Subd. 2. [NAIC REPORT FORMS.] *The items in subdivision 1 must be grouped by individual policyholder and be on the National Association of Insurance Commissioners Reporting Medicare Supplement Policies form.*

Sec. 8. Minnesota Statutes 1990, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [~~MINIMUM~~ LOSS ~~RATIOS~~ *RATIO STANDARDS.*] ~~Notwithstanding section 62A.02, subdivision 3, relating to loss ratios,~~ *(a) A* Medicare supplement ~~policies~~ *policy form or certificate form* shall *not* be ~~required~~ *delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage,* to return to ~~Minnesota~~ policyholders *and certificate holders* in the form of aggregate benefits ~~under the policy, for each year excluding the year of issuance and the first year thereafter, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices~~, *not including anticipated refunds or credits, provided under the policy form or certificate form:*

~~(a)~~ *(1)* at least 75 percent of the aggregate amount of premiums ~~collected~~ *earned* in the case of group policies, and

~~(b)~~ *(2)* at least 65 percent of the aggregate amount of premiums ~~collected~~ *earned* in the case of individual policies~~.~~, *calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage.*

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the Secretary of Health and Human Services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

Sec. 9. Minnesota Statutes 1990, section 62A.38, is amended to read:

62A.38 [NOTICE OF FREE EXAMINATION.]

Medicare supplement policies or certificates, other than those issued pursuant to direct response solicitation, shall have a notice prominently printed on the first page of the policy or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded in full if, after examination of the policy or certificate, the insured person is not satisfied for any reason. Medicare supplement policies or certificates, issued pursuant to a direct response solicitation to persons eligible for medicare by reason of age, shall have a notice prominently printed on the first page or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded *within ten days after receipt of the returned policy or certificate to the insurer* if, after examination, the insured person is not satisfied for any reason.

Sec. 10. Minnesota Statutes 1990, section 62A.39, is amended to read:

62A.39 [DISCLOSURE.]

No individual Medicare supplement plan shall be delivered or issued in this state and no certificate shall be delivered ~~pursuant to~~ *under* a group Medicare supplement plan delivered or issued in this state unless an outline containing at least the following information *in no less than 12-point type* is delivered to the applicant at the time the application is made:

(a) A description of the principal benefits and coverage provided in the policy;

(b) A statement of the exceptions, reductions, and limitations contained in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THIS POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.";

(c) A statement of the renewal provisions including any reservations by the insurer of a right to change premiums. *The premium and manner of payment shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated. If the premium is based on the increasing age of the insured, information specifying when premiums will change must be included*;

(d) *READ YOUR POLICY OR CERTIFICATE VERY CAREFULLY [Boldface type].* A statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions. *Additionally, it does not give all the details of Medicare coverage. Contact your local Social Security office or consult the Medicare handbook for more details*; ~~and~~

(e) A statement of the policy's loss ratio as follows: "This policy provides an anticipated loss ratio of (. . %). This means that, on the average, policyholders may expect that ($ . . . . .) of every $100.00 in premium will be returned as benefits to policyholders over the life of the contract."*;*

(f) When the outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12-point type, immediately above the company name:

"NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application, and the coverage originally applied for has not been issued.";

(g) RIGHT TO RETURN POLICY OR CERTIFICATE [Boldface type]. "If you find that you are not satisfied with your policy or certificate for any reason, you may return it to [insert issuer's address]. If you send the policy or certificate back to us within 30 days after you receive it, we will treat the policy or certificate as if it had never been issued and return all of your payments within ten days.";

(h) POLICY OR CERTIFICATE REPLACEMENT [Boldface type]. "If you are replacing another health insurance policy or certificate, do NOT cancel it until you have actually received your new policy or certificate and are sure you want to keep it.";

(i) NOTICE [Boldface type]. "This policy or certificate may not fully cover all of your medical costs."

A. [for agents:]

"Neither [insert company's name] nor its agents are connected with Medicare."

B. [for direct response:]

"[insert company's name] is not connected with Medicare."

(j) Notice regarding policies or certificates which are not Medicare supplement policies.

Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy, or a policy or certificate issued pursuant to a contract under the federal Social Security Act, section 1833 or 1876 (United States Code, title 42, section 1395, et seq.), disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy; or other policy, issued for delivery in this state to persons eligible for Medicare shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy or certificate delivered to insureds. The notice shall be in no less than 12-point type and shall contain the following language:

"THIS [POLICY OR CERTIFICATE] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare supplement buyer's guide available from the company."

(k) COMPLETE ANSWERS ARE VERY IMPORTANT [Boldface type]. "When you fill out the application for the new policy or certificate, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy or certificate and refuse to pay any claims if you leave out or falsify important medical information." If the policy or certificate is guaranteed issue, this paragraph need not appear.

"Review the application carefully before you sign it. Be certain that all information has been properly recorded."

Include for each plan, prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments, and insured payments for each plan, using the same language, in the same order, using uniform layout and format.

Nothing in this section requires the issuer to file the policy or certificate to which the cover page is attached. Issuers shall file with the department of commerce or health only the cover page containing the required notice provision. If the department does not disapprove the filing within 60 days, it is approved. Upon approval of the cover page, the issuer shall attach it to the policy or certificate as required by this section.

Sec. 11. Minnesota Statutes 1990, section 62A.42, is amended to read:

62A.42 [RULEMAKING AUTHORITY.]

To carry out the purposes of sections 62A.31 to 62A.44, the commissioner may promulgate rules pursuant to chapter 14. These rules may:

(a) prescribe additional disclosure requirements for medicare supplement plans, designed to adequately inform the prospective insured of the need and extent of coverage offered;

(b) prescribe uniform policy forms in order to give the insurance purchaser a reasonable opportunity to compare the cost of insuring with various

insurers *and may prescribe reasonable measures as necessary to conform Medicare supplement policies and certificates to the requirements of federal law and regulations*; and

(c) establish other reasonable standards to further the purpose of sections 62A.31 to 62A.44.

Sec. 12. Minnesota Statutes 1990, section 62A.436, is amended to read:

62A.436 [COMMISSIONS.]

The commission, sales allowance, service fee, or compensation to an agent for the sale of a Medicare supplement plan must be the same for each of the first four years of the policy. The commissioner may grant a waiver of this restriction on commissions when the commissioner believes that the insurer's fee structure does not encourage deceptive practices.

In no event may the rate of commission, sales allowance, service fee, or compensation for the sale of a basic Medicare supplement plan exceed that which applies to the sale of an extended basic Medicare supplement plan.

For purposes of this section, "compensation" includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, and finder's fees.

This section also applies to sales of replacement policies.

Sec. 13. Minnesota Statutes 1990, section 62A.44, is amended to read:

62A.44 [APPLICATIONS.]

Subdivision 1. [APPLICANT COPY.] No individual medicare supplement plan shall be issued or delivered in this state unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made.

Subd. 2. [QUESTIONS.] *(a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.*

"(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you are 65 or older, you may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(3) The benefits and premiums under your Medicare supplement policy or certificate will be suspended during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in

force, including health care service contract or health maintenance organization contract? If so, with which company?

(2) Do you have any other health insurance policies that provide benefits that this Medicare supplement policy or certificate would duplicate? (a) If so, with which company?

(3) If the answer to question 1 or 2 is yes, do you intend to replace these medical or health policies with this policy or certificate?

(4) Are you covered by Medicaid?"

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

"NOTICE TO APPLICANT REGARDING REPLACEMENT

OF MEDICARE SUPPLEMENT INSURANCE

[Insurance company's name and address]

SAVE THIS NOTICE!
IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to [your application] [information you have furnished], you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by [Company Name] Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. Terminate your present policy only if, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision.

STATEMENT TO APPLICANT BY ISSUER, AGENT, [BROKER OR OTHER REPRESENTATIVE]: I have reviewed your current medical or health insurance coverage. The replacement of insurance involved in this transaction does not duplicate coverage, to the best of my knowledge. The

replacement policy or certificate is being purchased for the following reason(s) (check one):

_____ *Additional benefits*
_____ *No change in benefits, but lower premiums*
_____ *Fewer benefits and lower premiums*
_____ *Other (please specify)*

_____

_____

_____

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Do not cancel your present policy or certificate until you have received your new policy or certificate and you are sure that you want to keep it.

_____

*(Signature of Agent, Broker, or Other Representative)**

_____

[Typed Name and Address of Issuer, Agent, or Broker]

_____

(Date)

_____

(Applicant's Signature)

_____

(Date)

**Signature not required for direct response sales."*

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

Sec. 14. Minnesota Statutes 1990, section 62E.07, is amended to read:

62E.07 [QUALIFIED MEDICARE SUPPLEMENT PLAN.]

Any plan which provides benefits ~~to persons over the age of 65 years~~ may be certified as a qualified Medicare supplement plan if the plan is designed to supplement Medicare and provides coverage of 100 percent of the deductibles required under Medicare and 80 percent of the charges for covered services described in section 62E.06, subdivision 1, which charges are not paid by Medicare. The coverage shall include a limitation of $1,000 per person on total annual out-of-pocket expenses for the covered services. ~~The coverage may be subject to a maximum lifetime benefit of not less than $500,000.~~

Sec. 15. Minnesota Statutes 1991 Supplement, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, ~~1992~~ *1993*.

Sec. 16. Minnesota Statutes 1991 Supplement, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, *and* a number two qualified plan, *except that the maximum lifetime benefit on these plans shall be $1,000,000,* and ~~basic and~~ *an* extended basic *plan and a basic* Medicare ~~supplement plans~~ *plan as described in sections 62A.31 to 62A.44 and 62E.07*. The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 17. [FEDERAL CHANGES.]

If the federal government requires additions or changes for compliance with any provisions of this act that are required by the federal Omnibus

Budget Reconciliation Act of 1990, Public Law Number 101-508, the commissioner may by order make those additions or changes. Before issuing an order, the commissioner shall notify the appropriate policy committees of the legislature of the additions or changes.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 14 and 17 are effective July 30, 1992. Sections 15 and 16 are effective the day following final enactment.

ARTICLE 2

Section 1. [62A.318] [MEDICARE SELECT POLICIES AND CERTIFICATES.]

(a) This section applies to Medicare select policies and certificates, as defined in this section, including those issued by health maintenance organizations. No policy or certificate may be advertised as a Medicare select policy or certificate unless it meets the requirements of this section.

(b) For the purposes of this section:

(1) "complaint" means any dissatisfaction expressed by an individual concerning a Medicare select issuer or its network providers;

(2) "grievance" means dissatisfaction expressed in writing by an individual insured under a Medicare select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare select issuer or its network providers;

(3) "Medicare select issuer" means an issuer offering, or seeking to offer, a Medicare select policy or certificate;

(4) "Medicare select policy" or "Medicare select certificate" means a Medicare supplement policy or certificate that contains restricted network provisions;

(5) "network provider" means a provider of health care, or a group of providers of health care, that has entered into a written agreement with the issuer to provide benefits insured under a Medicare select policy or certificate;

(6) "restricted network provision" means a provision that conditions the payment of benefits, in whole or in part, on the use of network providers; and

(7) "service area" means the geographic area approved by the commissioner and the commissioner of health within which an issuer is authorized to offer a Medicare select policy or certificate.

(c) The commissioner and the commissioner of health may authorize an issuer to offer a Medicare select policy or certificate pursuant to this section and section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, Public Law Number 101-508, if the commissioner and the commissioner of health with respect to quality and access determinations finds that the issuer has satisfied all of the requirements of this section.

(d) A Medicare select issuer shall not issue a Medicare select policy or certificate in this state until its plan of operation has been approved by the commissioner and the commissioner of health.

(e) A Medicare select issuer shall file a proposed plan of operation with the commissioner and the commissioner of health, in a format prescribed

by the commissioner and the commissioner of health. The plan of operation shall contain at least the following information:

(1) evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

(i) the services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation, and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community;

(ii) the number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:

(A) to deliver adequately all services that are subject to a restricted network provision; or

(B) to make appropriate referrals;

(iii) there are written agreements with network providers describing specific responsibilities;

(iv) emergency care is available 24 hours per day and seven days per week; and

(v) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against an individual insured under a Medicare select policy or certificate. This section does not apply to supplemental charges or coinsurance amounts as stated in the Medicare select policy or certificate;

(2) a statement or map providing a clear description of the service area;

(3) a description of the grievance procedure to be used;

(4) a description of the quality assurance program, including:

(i) the formal organizational structure;

(ii) the written criteria for selection, retention, and removal of network providers; and

(iii) the procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted;

(5) a list and description, by specialty, of the network providers;

(6) copies of the written information proposed to be used by the issuer to comply with paragraph (i); and

(7) any other information requested by the commissioner and the commissioner of health.

(f) A Medicare select issuer shall file proposed changes to the plan of operation, except for changes to the list of network providers, with the commissioner and the commissioner of health before implementing the changes. The changes shall be considered approved by the commissioner and the commissioner of health after 30 days unless specifically disapproved.

An updated list of network providers shall be filed with the commissioner

and the commissioner of health at least quarterly.

(g) A Medicare select policy or certificate shall not restrict payment for covered services provided by nonnetwork providers if:

(1) the services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury, or condition; and

(2) it is not reasonable to obtain the services through a network provider.

(h) A Medicare select policy or certificate shall provide payment for full coverage under the policy or certificate for covered services that are not available through network providers.

(i) A Medicare select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare select policy or certificate to each applicant. This disclosure must include at least the following:

(1) an outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare select policy or certificate with:

(i) other Medicare supplement policies or certificates offered by the issuer; and

(ii) other Medicare select policies or certificates;

(2) a description, including address, telephone number, and hours of operation, of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers;

(3) a description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are used;

(4) a description of coverage for emergency and urgently needed care and other out-of-service area coverage;

(5) a description of limitations on referrals to restricted network providers and to other providers;

(6) a description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer; and

(7) a description of the Medicare select issuer's quality assurance program and grievance procedure.

(j) Before the sale of a Medicare select policy or certificate, a Medicare select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to paragraph (i) and that the applicant understands the restrictions of the Medicare select policy or certificate.

(k) A Medicare select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.

(1) The grievance procedure must be described in the policy and certificates and in the outline of coverage.

(2) At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.

(3) Grievances must be considered in a timely manner and must be transmitted to appropriate decision makers who have authority to fully investigate the issue and take corrective action.

(4) If a grievance is found to be valid, corrective action must be taken promptly.

(5) All concerned parties must be notified about the results of a grievance.

(6) The issuer shall report no later than March 31 of each year to the commissioner and the commissioner of health regarding the grievance procedure. The report shall be in a format prescribed by the commissioner and the commissioner of health and shall contain the number of grievances filed in the past year and a summary of the subject, nature, and resolution of the grievances.

(l) At the time of initial purchase, a Medicare select issuer shall make available to each applicant for a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate otherwise offered by the issuer.

(m)(1) At the request of an individual insured under a Medicare select policy or certificate, a Medicare select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare supplement policy or certificate has been in force for six months. If the issuer does not have available for sale a policy or certificate without restrictive network provisions, the issuer shall provide enrollment information for the Minnesota comprehensive health association Medicare supplement plans.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, benefits required under section 62E.07, or coverage for part B excess charges.

(n) Medicare select policies and certificates shall provide for continuation of coverage if the Secretary of Health and Human Services determines that Medicare select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare select program to be reauthorized under law or its substantial amendment.

(l) Each Medicare select issuer shall make available to each individual insured under a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies and certificates available without requiring evidence of insurability.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare

select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, benefits required under section 62E.07, or coverage for part B excess charges.

(o) A Medicare select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare select program.

(p) Medicare select policies and certificates under this section shall be regulated and approved by the department of commerce and the department of health.

(q) Medicare select policies and certificates must be either a basic plan or an extended basic plan. The basic plan may also include any of the optional benefit riders authorized by section 62A.316. Preventive care provided by Medicare select policies or certificates must be provided as set forth in section 62A.315 or 62A.316, except that the benefits are as defined in chapter 62D.

(r) Medicare select policies and certificates are exempt from the requirements of section 62A.31, subdivision 1, paragraph (d). This paragraph expires January 1, 1994.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 30, 1992, and applies to policies or certificates issued on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; regulating Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; regulating the Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315; 62A.36, subdivision 1; 62A.38; 62A.39; 62A.42; 62A.436; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; 62E.10, subdivision 9; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A."

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. 2665: A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; specifying service that may be offered by courier service carriers; redefining the local cartage zone; increasing registration fees for vehicles of motor carriers; appropriating money; amending

Minnesota Statutes 1990, sections 168.013, subdivision 1e; 221.011, subdivisions 7, 8, 9, 14, 25, 28, and by adding subdivisions; 221.036, subdivision 1; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.081; 221.111; 221.121, subdivisions 1, 6, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivisions 11 and 17.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 221.011, subdivision 7, is amended to read:

Subd. 7. "Certificate" means the certificate of public convenience and necessity ~~which may be~~ issued under ~~the provisions of sections 221.011 to 221.291~~ *section 221.071 to a regular route common carrier of passengers, a class I motor carrier, or a petroleum carrier.*

Sec. 2. Minnesota Statutes 1990, section 221.011, subdivision 8, is amended to read:

Subd. 8. "Permit" means the license, or franchise, which may be issued to motor carriers other than regular route common carriers *of passengers, class I common carriers*, and petroleum carriers, under the provisions of this chapter, authorizing the use of the highways of Minnesota for transportation for hire.

Sec. 3. Minnesota Statutes 1990, section 221.011, subdivision 9, is amended to read:

Subd. 9. "Regular route common carrier" means a person who holds out to the public as willing, for hire, to transport passengers ~~or property~~ by motor vehicle between fixed termini over a regular route upon the public highways.

Sec. 4. Minnesota Statutes 1990, section 221.011, subdivision 14, is amended to read:

Subd. 14. "Permit carrier" means a motor carrier embraced within this chapter other than regular route common carriers *of passengers, class I carriers*, and petroleum carriers.

Sec. 5. Minnesota Statutes 1990, section 221.011, subdivision 25, is amended to read:

Subd. 25. "Courier services carrier" means any person who offers ~~expedited door-to-door transportation of packages and articles less than 100 pounds in weight in vehicles with a registered gross vehicle weight and gross vehicle weight rating not exceeding 15,000 pounds~~ *either or both of the services described in section 221.121, subdivision 6, and to whom the board has issued a permit to operate as a courier services carrier.*

Sec. 6. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 33. [TRUCKLOAD FREIGHT.] *"Truckload freight" means freight collected by a motor carrier (1) from one consignor at a place under the consignor's control and delivered directly to one or more consignees at a*

place or places under the consignees' control, or (2) from one or more consignors at a place or places under the consignors' control and delivered directly to one consignee at a place under the consignee's control.

Sec. 7. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 34. [LESS-THAN-TRUCKLOAD FREIGHT.] *"Less-than-truckload freight" means freight carried by a motor carrier that is not truckload freight.*

Sec. 8. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 35. [CERTIFICATED CARRIER.] *"Certificated carrier" means a motor carrier holding a certificate issued under section 221.071.*

Sec. 9. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 36. [CLASS I CARRIER.] *"Class I carrier" means a person who has been issued a certificate under section 221.071 to operate as a class I carrier.*

Sec. 10. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 37. [CLASS II CARRIER.] *"Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.*

Sec. 11. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 38. [TERMINAL.] *"Terminal" means (1) a facility that a motor carrier owns, leases, or otherwise controls, and uses to load, unload, dispense, receive, interchange, gather, or otherwise physically handle freight for shipment, or (2) any other location at which freight is exchanged by motor carriers between vehicles. "Terminal" does not mean a public warehouse with a storage capacity of at least 5,000 square feet that was licensed under chapter 231 on or before March 1, 1992.*

Sec. 12. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 39. [COMMODITY REQUIRING PROTECTIVE SERVICES.] *"Commodity requiring protective services" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature controlled vehicles.*

Sec. 13. Minnesota Statutes 1990, section 221.036, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of *(1) section 221.021; (2) section 221.041, subdivision 3; (3) section 221.171; (4)* section 221.035, ~~of~~ a material term or condition of a license issued under *that* section ~~221.035,~~; or ~~of~~ a rule or order of the commissioner relating to the transportation of hazardous waste. An order must be issued as provided in

this section.

Sec. 14. Minnesota Statutes 1990, section 221.041, is amended to read:

221.041 [RATE-MAKING POWERS.]

Subdivision 1. [CONSIDERATIONS; PROCEDURES.] The board shall fix and establish just, reasonable, and nondiscriminatory rates, fares, charges, and the rules and classifications incident to tariffs for ~~regular route common carriers and petroleum~~ *certificated* carriers. In prescribing rates, fares, charges, classifications, and rules for the carrying of freight, persons, or property, the board shall take into consideration the effect of the proposed rates or fares upon the users of the service and upon competitive carriers by motor vehicle and rail and, insofar as possible, avoid rates and fares which will result in unreasonable and destructive competition. In making its determination, the board shall consider, among other things, the cost of the service rendered by the carrier, including an adequate sum for maintenance and depreciation, and an adequate operating ratio under honest, economical, and efficient management. No rate or fares may be put into effect or changed or altered except upon hearing duly had and an order therefor by the board, or except as herein otherwise provided. The board may authorize rate changes ex parte which, in its opinion, are not of sufficient import to require a hearing. In an emergency, the board may order a change in existing rates or fares without a hearing. In instances of ex parte or emergency orders, the board shall, within five days, serve a copy of its order granting the change in rates upon parties which the board deems interested in the matter, including competing carriers. An interested party shall have 30 days from the date of the issuance of the order to object to the order. If objection is made, the board shall determine whether a hearing is necessary for resolution of the material issues relating to the proposed change in rates. On finding that a hearing is unnecessary for this purpose, the board, no sooner than 30 days after issuing its initial order granting the change in rates, may enter an order finally disposing of the rate change application. On determining otherwise, the board may take final action on the rate change application and the objections to it only after a contested case hearing has been conducted under chapter 14.

Subd. 2. [FILING.] A ~~regular route common carrier and a petroleum~~ *certificated* carrier, upon approval by the board of its rates, fares, charges, and rules and classifications incident to tariffs shall file its rates, fares, charges, and tariffs with the commissioner. Filings must be prepared and filed in the manner prescribed by the commissioner. The commissioner may not accept for filing rates, fares, charges, and tariffs which have not been approved by the board.

Subd. 3. [PROHIBITIONS; COMPENSATION AND TIME SCHEDULES.] No ~~regular route common carrier or petroleum~~ *certificated* carrier may charge or receive a greater or less or different compensation for the transportation of passengers or property or for service in connection therewith than the rates, fares, and charges and the rules and classifications governing the same which have been duly approved therefor by order of the board~~; nor may~~. A ~~regular route common carrier or petroleum~~ *certificated* carrier *may not* refund or remit in any manner or by any device a portion of those rates, fares, and charges required to be collected under the board's order; nor extend to a shipper or person a privilege or facilities in connection with the transportation of passengers or property except as are authorized under the order of the board. No passenger-carrying regular route common

carrier may alter or change its time schedules except upon order of the board. The order may be issued ex parte unless the board decides that the public interest requires that a hearing be ~~had thereon~~ *held*.

Subd. 4. [NONAPPLICABILITY.] This section does not apply to any regular-route passenger transportation being performed with operating assistance provided by the regional transit board.

Sec. 15. Minnesota Statutes 1990, section 221.051, is amended to read:

221.051 [ABANDONMENT OR DISCONTINUANCE OF SERVICE.]

No regular route common carrier ~~shall~~ *of passengers or class I carrier may* abandon or discontinue any service required under its certificate without an order of the board therefor, except in cases of emergency or conditions beyond its control.

A passenger regular route common carrier may depart from the route over which it is authorized to operate for the purpose of transporting chartered or excursion parties to any point in the state of Minnesota on such terms and conditions as the board may prescribe.

Sec. 16. Minnesota Statutes 1990, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

A person desiring a certificate authorizing operation as a regular route common carrier *of passengers, a class I carrier,* or petroleum carrier, or an extension of or amendment to that certificate, shall file a petition with the commissioner which must contain information as the board and commissioner, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of $300 and for a transfer or lease of the certificate the sum of $300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 17. Minnesota Statutes 1990, section 221.071, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATIONS; TEMPORARY CERTIFICATES; AMENDING.] If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity require the granting of the petition or a part of the petition, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected, to the transportation service being furnished by a railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation

service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted terms and conditions as in its judgment public convenience and necessity may require. If the petitioner is seeking authority to operate regular-route transit service wholly within the seven-county metropolitan area with operating assistance provided by the regional transit board, the board shall consider only whether the petitioner is fit and able to perform the proposed service. The operating authority granted to such a petitioner must be the operating authority for which the petitioner is receiving operating assistance from the regional transit board. A carrier receiving operating assistance from the regional transit board may amend the certificate to provide for additional routes by filing a copy of the amendment with the board, and approval of the amendment by the board is not required if the additional service is provided with operating assistance from the regional transit board.

The board may grant a temporary certificate, ex parte, valid for a period not exceeding 180 days, upon a showing that no regular route common carrier or petroleum carrier is then authorized to serve on the route sought, that no other petition is on file with the board covering the route, and that a need for the proposed service exists.

A certificate ~~issued to a regular route common carrier or petroleum carrier~~ may be amended by the board on ex parte petition and payment of a $25 fee to the commissioner, to grant an additional or alternate route if there is no other means of transportation over the proposed additional route or between its termini, and the proposed additional route does not exceed ten miles in length.

Sec. 18. [221.072] [CLASS I CARRIERS.]

Subdivision 1. [AUTHORITY.] *The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.*

Subd. 2. [EXCEPTIONS.] *This section does not apply to any carrier listed in section 221.111, clauses (1) to (9).*

Subd. 3. [OPERATION.] *A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.*

Sec. 19. Minnesota Statutes 1990, section 221.081, is amended to read:

221.081 [SALE OR LEASE OF CERTIFICATE OF REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

(a) Except as provided in paragraph (b), certificates ~~authorizing operations as a regular route common carrier or as a petroleum carrier~~ may be sold or leased but only upon order of the board approving the same. The proposed seller and buyer or lessor and lessee of a certificate shall file a joint petition with the commissioner, setting forth the names and addresses of the parties,

the identifying number of the certificate and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a short statement of the buyer or lessee's present operating authority, if any, a statement of all outstanding claims of creditors which are directly attributable to the operations conducted under said certificate, a copy of the contract of sale or lease and a financial statement with balance sheet and income statement, if existent, of the buyer. If it appears to the board from the contents of the petition and from the department's records, files and investigation of the petition that the approval of the sale or lease of the certificate will not adversely affect the rights of the users of the service and will not have an adverse effect on any other motor carrier, the board may make an ex parte order granting the same. When the proposed sale or lease is between persons who are direct competitors to a material degree, the petition shall be set down for hearing with notice to the communities which may be affected by the proposed merger and to any other persons the board or department deems to be interested parties.

(b) Nothing in this section authorizes the lease of a class I certificate.

Sec. 20. Minnesota Statutes 1990, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than ~~regular route common carriers, petroleum~~ *certificated* carriers~~,~~ and local cartage carriers~~,~~ shall obtain a permit in accordance with section 221.121~~,~~ ~~including irregular route carriers, livestock carriers, contract carriers, charter carriers, and courier service carriers~~. *The board shall issue only the following kinds of permits:*

(1) class II-T permits;

(2) class II-L permits;

(3) livestock carrier permits;

(4) contract carrier permits;

(5) charter carrier permits;

(6) courier service carrier permits;

(7) local cartage carrier permits;

(8) household goods mover permits; and

(9) protected commodities permits.

Sec. 21. Minnesota Statutes 1990, section 221.121, subdivision 1, is amended to read:

Subdivision 1. [PERMIT CARRIERS.] *(a)* A person desiring to operate as a permit carrier, except as ~~a livestock carrier, or a local cartage carrier~~ *provided in subdivision 5 or section 221.296,* shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area

to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers. No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 22. Minnesota Statutes 1990, section 221.121, subdivision 6, is amended to read:

Subd. 6. [COURIER SERVICES CARRIERS.] *(a)* A person desiring to operate as a courier services carrier shall follow the procedure established in subdivision 1 and shall be granted a permit as a courier services carrier if the person meets the criteria established in subdivision 1.

(b) A permit to operate as a courier service carrier authorizes the permit holder to provide either or both of the following services:

(1) expedited delivery, meaning the transportation of freight in any two-axle vehicle where (i) pickup of the freight is made within one hour of the request for the pickup, and delivery of the freight is made within six hours of the pickup, and (ii) the freight is transported from the point of pickup to the consignee without intermediate unloading, docking, or storage; and

(2) small package delivery, meaning the transportation of freight where (i) the delivery to the consignee is made on the same day as the pickup of the freight, or on the next day, (ii) no single package or article exceeds 100 pounds in weight, (iii) the total amount of freight the carrier delivers from a single consignor to a single consignee in any day does not exceed 400 pounds, and (iv) delivery to the consignee is made in vehicles not exceeding 15,000 pounds gross vehicle weight. Small package delivery service may include intermediate unloading, docking, or storage.

Courier service carriers must maintain accurate records of each shipment picked up and delivered, including: (1) time of the request for service; (2) time of the pickup; (3) time of delivery; (4) weight of the shipment; and (5) the specific vehicle or vehicles used to transport the shipment.

(c) The board shall not deny a permit for a courier service carrier on the grounds that operations performed by the applicant resemble operations of other types of carriers defined in section 221.011.

Sec. 23. Minnesota Statutes 1990, section 221.121, subdivision 6a, is amended to read:

Subd. 6a. [HOUSEHOLD GOODS CARRIER.] A person who desires

to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request ~~an irregular route common carrier~~ *a household goods mover* permit ~~with authority to transport household goods~~. The permit granted by the board to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as ~~an irregular route common carrier of~~ *a* household goods *mover*. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have ~~an irregular route common carrier permit with authority to transport~~ *a* household goods *mover permit*.

Sec. 24. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6c. [CLASS II CARRIERS.] *A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (8), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal. For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal, and (2) "terminal" does not include a terminal used by a permit holder who also holds a class I certificate or protected commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate or protected commodities permit.*

Sec. 25. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6d. [PROTECTED COMMODITIES CARRIERS.] *A person who desires to hold out or to operate as a carrier of commodities requiring protective services shall follow the procedure established in subdivision 1 and shall specifically request a protected commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of commodities requiring protective services.*

Sec. 26. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6e. [CLASS II-T PERMITS.] *A holder of a class II-T permit may transport truckload freight to and from any point named in the permit.*

Sec. 27. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6f. [CLASS II-L PERMITS.] *(a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.*

(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point in the state not named in the carrier's permit only if the carrier: (1) had, on January 1, 1993, authority to transport general commodities throughout the state, and (2) such authority had been held and exercised by the permit holder or a member of the permit holder's immediate family as defined in section 221.151, subdivision 2, continuously since the granting of the authority. Service by such a carrier to and from points not named in the carrier's permit may be provided no more often than on 24 days in any 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit by adding, to the points named in the permit, other points in the state by following the procedures established in this paragraph. The carrier shall submit to the commissioner a petition to serve the points and shall name the points in the petition. The carrier shall submit with the petition evidence of need for the proposed service. The commissioner shall transmit the petition to the board. The board shall publish notice of the petition in the board's weekly calendar. Failure by the board to deny the petition within 30 days of the date of publication in the calendar constitutes approval of the petition.

Sec. 28. Minnesota Statutes 1990, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] The permit holder shall pay an annual registration fee of ~~$20~~ *$40* on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and a transfer fee of $10. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of $10 is charged for the replacement of an unexpired identification card that has been lost or damaged.

Sec. 29. Minnesota Statutes 1990, section 221.131, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.] ~~Regular route common carriers and petroleum~~ *Certificated* carriers~~, operating under sections 221.011 to 221.291,~~ shall ~~annually~~ pay ~~into the treasury of the state of Minnesota~~ an annual registration fee of ~~$20~~ *$40* for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 30. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [~~IRREGULAR ROUTE CARRIERS OF~~ HOUSEHOLD GOODS

MOVERS.] ~~An irregular route common carrier of~~ *A* household goods *mover* shall maintain in effect cargo insurance or cargo bond in the amount of $50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the ~~irregular route common carrier of~~ household goods *mover* permit was issued and whose operations are being insured. ~~A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 31. Minnesota Statutes 1990, section 221.151, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the board approving the transfer or assignment after notice and hearing.

The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the board, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing, and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the board may make an order granting the sale or lease. Provided, however, that the board shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the board under this chapter or to a common carrier by rail.

Provided further that the board shall make no order approving the sale or lease of a permit if the board finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill involved. The board shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company

records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale. The board shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the board within 30 days of the agreement.

If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the board within 30 days after the sale, assignment, pledge, or other transfer of stock. The board shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Nothing in this section authorizes the lease of a class II permit.

Sec. 32. Minnesota Statutes 1990, section 221.151, is amended by adding a subdivision to read:

Subd. 3. [TRANSFER OF CERTAIN AUTHORITY.] *Operating authority described in section 27, paragraph (c), that has not been added to the motor carrier's permit under section 27, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.*

Sec. 33. [221.152] [CONVERSION OF PERMITS.]

Subdivision 1. [EXPIRATION OF OPERATING AUTHORITY.] *Except as provided in subdivision 3, paragraph (b), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:*

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

Subd. 2. [CONVERSION.] *All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.*

Subd. 3. [ISSUANCE OF NEW CERTIFICATES AND PERMITS.] *(a) By September 1, 1992, a motor carrier described in subdivision 2 must submit to the commissioner a petition for conversion. The petition must be on a form prescribed by the commissioner and must be accompanied by an application fee of $50. The petition must state: (1) the name and address of the petitioner; (2) the identifying number of the expiring certificates or permits the petitioner wishes to convert; and (3) other information the commissioner deems necessary. A petitioner for a class II-L permit must also submit a statement of the extent of operating authority that the petitioner holds under the petitioner's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually*

exercised as described in section 221.151, subdivision 1.

(b) The commissioner shall transmit to the board all petitions that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on petitions submitted under this subdivision. Within 60 days after receiving a petition under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the petition if it finds that the issuance is authorized under this section. A petition submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the petition.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. [AUTHORITY CONVERTED.] *(a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.*

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to a petitioner under this subdivision that authorizes the permit holder to provide service to a point if the permit holder did not provide service to that point at any time in the two years before the effective date of this section.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport commodities requiring protective services applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a protected commodities permit with the same operating authority to transport commodities requiring protective services as was granted under the person's irregular route common carrier permit.

Sec. 34. [CERTAIN LEASE AGREEMENTS NOT AFFECTED.]

Nothing in this act may be construed to affect the validity of an agreement entered into before January 1, 1993, for the lease of a certificate or permit to operate as a motor carrier.

Sec. 35. [APPROPRIATION.]

$ . . . . . is appropriated from the trunk highway fund for the fiscal

year ending June 30, 1993, for the purpose of implementing sections 1 to 34. Of this amount, $ . . . . . is appropriated to the commissioner of transportation and $ . . . . . is appropriated to the transportation regulation board. The complement of the department of transportation is increased by . . . . . positions. The complement of the transportation regulation board is increased by . . . . . positions.

Sec. 36. [REPEALER.]

Minnesota Statutes 1990, section 221.011, subdivision 11, is repealed.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 32 and 36 are effective January 1, 1993. Section 33 is effective the day following final enactment. Sections 34 and 35 are effective July 1, 1992."

Amend the title as follows:

Page 1, line 14, delete "168.013, subdivision 1e;"

Page 1, line 15, delete "28,"

Page 1, line 23, delete "subdivisions 11 and 17" and insert "subdivision 11"

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. 2196: A bill for an act relating to human services; providing for notice to vendors when payments on behalf of a recipient will be reduced or terminated; limiting the liability of the state and county for damages claimed by vendors due to failure of a recipient to pay for rent, goods, or services; amending Minnesota Statutes 1990, section 256.81.

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

Page 2, line 2, before "*The*" insert:

"*(3)*"

Page 2, lines 5 and 8, after "*payments*" insert "*of rent*"

Page 2, line 6, before the comma, insert "*and if the recipient consents*"

Page 2, line 11, after "*payments*" insert "*of rent*" and after the period, insert "*When the county notifies a vendor that vendor payments of rent will be reduced or terminated, the county shall include in the notice that it is illegal to discriminate on the grounds that a person is receiving public assistance and the penalties for violation. The county shall also notify the recipient that it is illegal to discriminate on the grounds that a person is receiving public assistance and the procedures for filing a complaint. The county agency may develop procedures, including using the MAXIS system, to implement vendor notice and may charge vendors a fee not exceeding $5 to cover notification costs.*

(4)"

Page 2, line 16, after "*pay*" insert "*or to notify*"

Page 2, line 20, strike "(3)" and insert "*(5)*"

Page 2, line 22, strike "(4)" and insert "*(6)*"

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. 1965: A bill for an act relating to human services; directing the commissioner of human services to exempt intermediate care facilities for persons with mental retardation from Minnesota Rules, parts 9525.0215 to 9525.0430.

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 14.03, subdivision 3, is amended to read:

Subd. 3. [RULEMAKING PROCEDURES.] The definition of a rule in section 14.02, subdivision 4, does not include:

(1) rules concerning only the internal management of the agency or other agencies that do not directly affect the rights of or procedures available to the public;

(2) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;

(3) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(4) opinions of the attorney general;

(5) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(6) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(7) the occupational safety and health standards provided in section 182.655; ~~or~~

(8) revenue notices and tax information bulletins of the commissioner of revenue; *or*

(9) interpretive guidelines published by the commissioner of human services under section 245A.092.

Sec. 2. [245A.091] [EXEMPTION FROM CERTAIN RULE PARTS GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

A Minnesota residential program certified under federal standards by the department of health as an intermediate care facility for persons with mental retardation or related conditions is exempt from the following Minnesota Rules parts:

(1) part 9525.0235, subparts 4; 6; 7; 8; 10, items A and B; and 12 to 15;

(2) part 9525.0243;

(3) part 9525.0245, subparts 2, items A, C, D, E, F; 4 to 7; and 9;

(4) part 9525.0255, subparts 1, items B, D, and F; and 3;

(5) part 9525.0265, subparts 1, items A and C; 3, items A to F; 5; and 8, items A and B;

(6) part 9525.0275;

(7) part 9525.0285, subparts 2 and 3;

(8) part 9525.0295, subparts 5, item B, subitem (3); and 6;

(9) part 9525.0305, subparts 2, 3, items C, E, and F; and 5;

(10) part 9525.0315, subparts 1; 2; and 3, items A to D;

(11) part 9525.0325, subpart 3, items A, D to G, and I to K;

(12) part 9525.0335, items C, E, F, H to J, and K, subitems (2) and (3); and

(13) part 9525.0345, subparts 1, item B, subitem (2); 2, item A; 3 to 5; and 6, items A and B.

Sec. 3. [245A.092] [INTERPRETIVE GUIDELINES.]

Subdivision 1. [AUTHORITY.] *The commissioner of human services may make, adopt, and publish interpretive guidelines. An "interpretive guideline" is a policy statement that has been published pursuant to subdivision 5 and that provides interpretation, details, or supplementary information concerning the application of law or rules. An interpretive guideline is published for the information and guidance of consumers, providers of service, county social service agencies, the department of human services, and others concerned.*

Subd. 2. [EFFECT.] *An interpretive guideline does not have the force and effect of law and has no precedential effect, but may be relied on by consumers, providers of service, and others concerned until revoked or modified. An interpretive guideline may be expressly revoked or modified by the commissioner, by the issuance of an interpretive guideline, but may not be revoked or modified retroactively to the detriment of the consumers, providers of services, county social service agencies, the department of human services, and others concerned. A change in the law or an interpretation of the law, whether in the form of a statute, court decision, administrative rule, or interpretive guideline, which occurs after an interpretive guideline is issued, results in revocation or modification of the guideline to the extent that the changed law affects the guideline.*

Subd. 3. [RETROACTIVITY.] *An interpretive guideline is interpretive of existing law and is retroactive to the effective date of the applicable law provision unless otherwise stated in the guideline.*

Subd. 4. [ISSUANCE.] *The issuance of an interpretive guideline is at the discretion of the commissioner of human services. The commissioner shall establish procedures governing the issuance of interpretive guidelines.*

Subd. 5. [PUBLICATION.] *The commissioner shall publish interpretive guidelines in the State Register and in any other manner that makes them*

accessible to the general public. The commissioner may charge a reasonable fee for the publications. Interpretive guidelines are effective upon publication in the State Register.

Sec. 4. [REVISION OF RULES GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Prior to September 1, 1992, the commissioner shall begin the process of revising Minnesota Rules, parts 9525.0215 to 9525.0355, in accordance with the procedures set out in Minnesota Statutes, chapter 14.

Sec. 5. [REPORT TO THE LEGISLATURE.]

The commissioner shall submit a report to the legislature by January 31, 1993, on progress with respect to the following: (1) development of a single rule containing policy directives and common goals and outcomes for all licensed programs for persons with mental retardation or related conditions; (2) increasing efficiency in completion of vulnerable adult and maltreatment of minor investigations, in licensed programs, in consultation with the commissioner of health; and (3) development of a technical assistance project to assist providers in avoiding negative license actions."

Delete the title and insert:

"A bill for an act relating to human services; exempting interpretive guidelines published by the commissioner of human services from the definition of rules; exempting intermediate care facilities for persons with mental retardation or related conditions from specific Minnesota Rules; authorizing the commissioner to make, adopt, and publish interpretive guidelines; directing the commissioner to revise Minnesota Rules, parts 9525.0215 to 9525.0355; directing the commissioner to submit a report; amending Minnesota Statutes 1991 Supplement, section 14.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245A."

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

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

H.F. No. 2341 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2341	1914

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 2924 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2924	2486				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 2769 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2769	2531

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 2046 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2046	2437

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 1978 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1978	1824				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1978 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1978 and insert the language after the enacting clause of S.F. No. 1824, the first engrossment; further, delete the title of H.F. No. 1978 and insert the title of S.F. No. 1824, the first engrossment.

And when so amended H.F. No. 1978 will be identical to S.F. No. 1824, and further recommends that H.F. No. 1978 be given its second reading and substituted for S.F. No. 1824, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2438 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2438	2367				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2438 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2438 and insert the language after the enacting clause of S.F. No. 2367, the first engrossment; further, delete the title of H.F. No. 2438 and insert the title of S.F. No. 2367, the first engrossment.

And when so amended H.F. No. 2438 will be identical to S.F. No. 2367, and further recommends that H.F. No. 2438 be given its second reading and substituted for S.F. No. 2367, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 1350 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1350	1139

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1350 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1350 and insert the language after the enacting clause of S.F. No. 1139, the first engrossment; further, delete the title of H.F. No. 1350 and insert the title of S.F. No. 1139, the first engrossment.

And when so amended H.F. No. 1350 will be identical to S.F. No. 1139, and further recommends that H.F. No. 1350 be given its second reading and substituted for S.F. No. 1139, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2287 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2287	1970

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2287 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2287 and insert the language after the enacting clause of S.F. No. 1970, the first engrossment; further, delete the title of H.F. No. 2287 and insert the title of S.F. No. 1970, the first engrossment.

And when so amended H.F. No. 2287 will be identical to S.F. No. 1970, and further recommends that H.F. No. 2287 be given its second reading and substituted for S.F. No. 1970, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2225 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2225	2412

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 2640 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2640	2408

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2640 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2640 and insert the language after the enacting clause of S.F. No. 2408, the first engrossment; further, delete the title of H.F. No. 2640 and insert the title of S.F. No. 2408, the first engrossment.

And when so amended H.F. No. 2640 will be identical to S.F. No. 2408, and further recommends that H.F. No. 2640 be given its second reading and substituted for S.F. No. 2408, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2099 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2099	2374				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2099 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2099 and insert the language after the enacting clause of S.F. No. 2374, the first engrossment; further, delete the title of H.F. No. 2099 and insert the title of S.F. No. 2374, the first engrossment.

And when so amended H.F. No. 2099 will be identical to S.F. No. 2374, and further recommends that H.F. No. 2099 be given its second reading and substituted for S.F. No. 2374, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2137 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2137	2048				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2137 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2137 and insert the language after the enacting clause of S.F. No. 2048, the first engrossment; further, delete the title of H.F. No. 2137 and insert the title of S.F. No. 2048, the first engrossment.

And when so amended H.F. No. 2137 will be identical to S.F. No. 2048, and further recommends that H.F. No. 2137 be given its second reading and substituted for S.F. No. 2048, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which were referred the following appointments as reported in the Journal for February 24, 1992:

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER

Thomas M. Frost

DEPARTMENT OF TRANSPORTATION
COMMISSIONER

James N. Denn

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

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for March 20, 1992:

BOARD OF THE ARTS

Dolly Fiterman
Teresa K. Parker
M. Judith Schmidt

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Elaine R. Mathiason
Dennis E. McNeil

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

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for March 14, 1991:

BOARD OF THE ARTS

Lucy Rieth
Elizabeth C. Whitbeck
Joseph Duffy
Conrad Razidlo

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

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for February 24, 1992:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main
Robert W. Reif, M.D.

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

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

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

S.F. No. 2555: A bill for an act relating to education; establishing a higher education savings plan; appropriating money; amending Minnesota Statutes 1990, section 136A.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

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 136A.121, is amended by adding a subdivision to read:

Subd. 18. [EXCLUSION OF CERTAIN AMOUNTS FROM ELIGIBILITY CALCULATIONS.] *In determining student eligibility for a state grant, the value of allocation units in the higher education savings incentive fund established in section 2 shall be excluded from determination of family assets, and the amount received upon redemption shall be excluded from income. Principal and interest on United States savings bonds used to finance higher education shall also be excluded up to the amount excluded from federal income taxation.*

Sec. 2. [290.137] [HIGHER EDUCATION SAVINGS PLAN.]

Subdivision 1. [POLICY.] *The governor and legislature believe higher education is becoming more important to survival and success in an increasingly competitive and complex job market. Future jobs will require more education beyond the high school level. Given this, the earlier parents start saving for their children's education, the better prepared they will be to provide for their children's future. Providing information and opportunities to increase family saving for higher education is in the public interest.*

Subd. 2. [OPTION FOR TAKING INCOME TAX AND PROPERTY TAX REFUNDS IN THE FORM OF UNITED STATES SAVINGS BONDS.] *Every individual who is eligible for either a refund of payments made for the Minnesota individual income tax or a property tax refund may elect to take all or a portion of the refund in the form of United States savings bonds. The commissioner of revenue is authorized to engage in transactions necessary to provide the refund of bonds authorized by this subdivision. The commissioner of revenue, in consultation with the higher education coordinating board, shall include in the instructions for filing income taxes and property tax refund claims information about the present and future costs of higher education, the importance of beginning early to save for these expenses, alternative strategies for saving, and a description of current federal law relating to the taxation of earnings on United States savings bonds used for financing higher education.*

Subd. 3. [HIGHER EDUCATION SAVINGS INCENTIVE FUND.] *There shall be created in the state treasury a higher education savings incentive fund.*

Deposits to the fund may come from gifts from corporations, individuals, or foundations designated for the fund.

Assets of the fund shall be managed by the state board of investment. Assets of the fund shall be used only for providing savings incentive grants to taxpayers taking refunds in the form of United States savings bonds through the option established in subdivision 2, and to taxpayers providing evidence, at the time of tax payment or refund application, that they purchased United States savings bonds during the tax year for which the tax form or refund form applies.

The executive director of the higher education coordinating board shall manage the allocation of investment earnings of the fund, and manage disbursements from the fund. The executive director shall annually award allocation units to eligible purchasers of United States savings bonds based on the following principles or constraints:

(1) one allocation unit shall be awarded for every $1 of face value of bonds purchased or taken as a refund, but no more than 4,000 allocation units per child may be awarded to an eligible purchaser in any cohort year;

(2) eligible purchasers of United States savings bonds within a given year shall comprise a cohort identifiable by the year;

(3) the saving incentive fund assets associated with any year's cohort shall be the smaller of:

(i) the accumulated assets not associated with any prior year's cohort; or

(ii) the number of allocation units for the cohort; and

(4) to be eligible for allocation units, the modified adjusted federal gross income of a filer purchasing United States savings bonds cannot exceed the modified adjusted gross income for which full exclusion of savings bond interest from federal taxation applies for the filer's filing status group.

Final allocation units applicable to returns due by April 15 will be announced as soon as possible after April 15.

The state board of investment may invest the assets of the fund in those securities it deems appropriate.

An individual who has been awarded allocation units for a yearly cohort may redeem the units for a savings incentive grant only upon submission of proof that United States savings bonds were cashed in for purposes of meeting the costs of higher education, and that the holder of the bonds was eligible for a full or partial exclusion of savings bond interest from federal taxation. The individual's savings incentive grant shall be calculated as the smaller of:

(i) the product of the total investment earnings for the cohort times the ratio of the individual's allocation units for the cohort to the total allocation units for the cohort; or

(ii) the amount of interest earned on the United States savings bonds for which the individual was awarded allocation units. Allocation units not redeemed within 25 years of award shall be cancelled.

An individual must certify that amounts received from the savings incentive fund will be used for post-secondary educational purposes.

The state pledges and agrees with all contributors to the higher education savings incentive fund to use the funds contributed solely for providing incentives to individuals for saving for the future costs of higher education.

The higher education coordinating board may adopt rules necessary to implement this subdivision.

Sec. 3. [EFFECTIVE DATES.]

(a) Section 1 is effective July 1, 1994, for grants awarded for the 1994-1995 academic year.

(b) Section 2, subdivisions 1 and 2, are effective on the day following final enactment. Provisions relating to income tax forms or property tax refund forms will be effective for the forms used to file for taxable years beginning after December 31, 1992.

(c) Section 2, subdivision 3, is effective no earlier than July 1, 1993, for

share awards allocated after July 1, 1994, if the following conditions are met:

(1) the federal Internal Revenue Service has formally issued opinions, rulings, or determinations that:

(i) individual, corporate, or foundation contributions to the higher education savings incentive fund will be exempt from federal taxation under current rules relating to contributions to charitable organizations;

(ii) the board of investment will not be obligated to pay taxes on any income earned on contributions to the higher education savings incentive fund;

(iii) shares allocated to individuals under the conditions established in section 2, subdivision 3, will be exempt from taxation prior to the time the shares are cashed in; and

(iv) address the taxability of income derived by individuals at the time they cash in the shares that have been allocated to them; and

(2) the legislative commission on planning and fiscal policy has determined that:

(i) the annual costs of administering individual accounts and managing assets in the higher education savings incentive fund will not exceed one percent of the value of estimated assets; and

(ii) there is a high probability that annual contributions to the fund will be at least $5,000,000.

Sec. 4. [APPROPRIATION.]

$50,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of revenue for purposes of this act."

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

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

S.F. No. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; requiring labeling of rechargeable batteries; requiring studies on automobile waste, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115.071, subdivision 1; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.93, by adding a subdivision; 115A.981; 325E.12; 325E.125, subdivision 1; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivision 5; 115A.93, subdivision 3; 115A.931;

325E.1251, subdivision 2; and 473.849; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Page 3, delete section 3 and insert:

"Sec. 3. [16B.125] [PACKING MATERIALS.]

A public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from other resources. For the purposes of this section, "packing material" means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package."

Page 5, line 28, delete "*October*" and insert "*March*"

Page 5, line 30, before "recycling" insert "*estimated*"

Page 5, line 32, strike "fiscal" and insert "*calendar*"

Page 6, after line 5, insert:

"Sec. 11. Minnesota Statutes 1990, section 115A.32, is amended to read:

115A.32 [RULES.]

The ~~office~~ *board* shall promulgate rules pursuant to chapter 14 to govern its activities under sections 115A.32 to 115A.39. *For the purposes of sections 115A.32 to 115A.39, "board" means the environmental quality board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the director of the office of waste management."*

Page 6, after line 15, insert:

"Sec. 13. [115A.5501] [REDUCTION OF PACKAGING IN WASTE.]

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] *It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to solid waste composting, incineration, refuse derived fuel and disposal facilities by July 1, 1995, based on a reasonable estimate of the amount of packaging that was delivered to solid waste composting, incineration, and disposal facilities in fiscal year 1992.*

Subd. 2. [MEASUREMENT; PROCEDURES.] *To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner and the chair of the metropolitan council, in consultation with the director, shall each conduct an annual four-season solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative statistically reliable method to measure the percentage of packaging in the waste stream.*

Beginning in 1992, the chair of the council shall submit the results from the metropolitan area to the commissioner by August 15 of each year. The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the director by August 31 of each year. The director

shall report the information to the legislative commission on waste management by November 15 of each year.

Subd. 3. [FACILITY COOPERATION AND REPORTS.] *The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.*

Beginning in 1992, by August 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, information specifying the total amount of solid waste received by the facility between July 1 of the previous year and June 30 of the year the report is made. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by August 31 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of $500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Subd. 4. [REPORT.] *The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By November 15, 1995, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal."*

Page 7, line 10, delete "*at least ten percent*" and insert "*the label or other indication states the percentage*"

Page 7, line 11, after "*package*" insert "*that*"

Page 8, line 6, strike "EXEMPTION" and insert "*WASTES SUBJECT TO DESIGNATION; EXEMPTIONS*"

Page 8, after line 6, insert:

"*Subdivision 1.* [APPLICATION.] *Designation applies to the following wastes:*

(1) mixed municipal solid waste; and

(2) other solid waste that prior to final processing or disposal:

(i) is not managed as a separate waste stream; or

(ii) is managed as a separate waste stream using a waste management practice that is ranked lower on the list of waste management practices in section 115A.02, paragraph (b), than the primary waste management practice that would be used on the waste at the designated facility."

Page 8, line 7, before "The" insert "*Subd. 2.* [EXEMPTION.]"

Page 8, line 8, reinstate the stricken "separated from" and reinstate the stricken "solid"

Page 8, line 9, reinstate the stricken language

Page 8, line 10, reinstate the stricken language and delete the new language

Page 8, lines 11 to 18, delete the new language

Page 8, line 21, reinstate the stricken language and delete the new language

Page 8, line 27, delete "*or*"

Page 8, delete lines 28 to 30 and insert:

"*(4) materials separated from construction debris prior to final processing or disposal if the materials are managed using a waste management practice that is ranked on the list of waste management practices in section 115A.02, paragraph (b), at the same level as or higher than the primary waste management practice at the designated facility; or*

(5) recyclable materials that are being recycled, and residual sludges from paper recycling if there is at least an 85 percent volume reduction in the solid waste processed at the paper recycling facility and the residuals are managed as separate waste streams."

Page 8, lines 31 to 33, reinstate the stricken language

Page 9, after line 2, insert:

"Sec. 19. Minnesota Statutes 1990, section 115A.87, is amended to read:

115A.87 [JUDICIAL REVIEW.]

(a) An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

(b) A person bringing an action challenging a designation ordinance or the implementation of a designation ordinance shall first notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste.

Sec. 20. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by ~~nonremovable~~ rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans."

Page 9, after line 13, insert:

"Sec. 22. Minnesota Statutes 1991 Supplement, section 115A.919, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] (a) Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from any fee imposed by a county under this section if:

(1) there is at least an 85 percent volume reduction in the solid waste processed; *or*

(2) for facilities processing only construction debris, the volume reduction is at least 65 percent.

Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

(b) A facility permitted for the disposal of construction debris is exempt from 25 percent of a fee imposed under subdivision 1 if the facility has implemented a recycling program approved by the county and 25 percent if the facility contains a liner and leachate collection system approved by the agency."

Page 10, line 18, before "composting" insert "*reuse,*" and before "or" insert a comma

Page 10, line 35, delete "*(a)*"

Page 11, line 2, delete everything after "*(1)*"

Page 11, line 3, delete "*material and*"

Page 11, line 4, delete "*vegetable oil-based*"

Page 11, line 6, delete "*significant*" and insert "*unreasonable*"

Page 11, delete lines 8 to 14

Page 11, line 20, after the semicolon, insert "*and*"

Page 11, line 21, delete "*maintain records that specify*" and insert "*annually submit a report to the office of waste management specifying*"

Page 11, line 22, delete "*; and*" and insert a period

Page 11, delete lines 23 to 26 and insert:

"*The office of waste management shall prepare and submit a summary report to the legislative commission on waste management.*"

Page 13, after line 24, insert:

"Sec. 29. Minnesota Statutes 1991 Supplement, section 116.90, is amended to read:

116.90 [REFUSE DERIVED FUEL.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) *"Agency" means the pollution control agency.*

(c) "Minor modification" means a physical or operational change that does not increase the rated energy production capacity of a solid fuel fired boiler and which does not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

~~(c)~~ *(d)* "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

~~(d)~~ *(e)* "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

Subd. 2. [USE OF REFUSE DERIVED FUEL.] (a) Existing or new solid fuel fired boilers may utilize refuse derived fuel in an amount up to 30 percent by weight of the fuel feed stream under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler;

(3) the solid fuel fired boiler has a valid permit to operate; ~~and~~

(4) the refuse derived fuel:

(i) is produced by a facility for which a permit was issued by the agency before June 1, 1991; *or*

(ii) is produced by an agency-permitted facility designed as part of a regional waste management system, and the refuse derived fuel producer has contracted with an end user to combust the fuel; and

(5) the owner or operator of the solid fuel fired boiler gives prior written notice to the commissioner of the agency of the amount of refuse derived fuel expected to be used and the date on which the use is expected to begin.

(b) A facility that produces refuse derived fuel that is sold for use in a solid fuel fired boiler may accept waste for processing only from counties that provide for the removal of household hazardous waste from the waste.

(c) The agency may not require, as a condition of using refuse derived fuel under this section, any additional monitoring or testing of a solid fuel fired boiler's air emissions beyond the monitoring or testing required by statute or by the terms of the solid fuel fired boiler's permit issued by the agency, if any.

Sec. 30. Minnesota Statutes 1991 Supplement, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

~~All~~ *(a) Except as provided in paragraph (b),* low-level radioactive waste

~~that~~ may *not* be treated, recycled, stored, or disposed of in this state ~~shall conform to applicable federal and state requirements~~ *except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste,* regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission ~~pursuant to~~ *under* a generic rule or standard adopted after ~~January 1~~ *July 2,* 1990.

(b) Paragraph (a) does not apply to treatment, recycling, storage, or disposal of low-level radioactive waste that is specifically authorized under a license issued by the United States Nuclear Regulatory Commission, or is otherwise authorized under regulations of the United States Nuclear Regulatory Commission in effect on July 2, 1990."

Page 14, line 5, delete "*used in the battery*"

Page 14, line 6, delete "*and address*"

Page 14, after line 16, insert:

"Sec. 34. [325E.39] [SALE OF PETROLEUM-BASED SWEEPING COMPOUND PRODUCTS PROHIBITED.]

Subdivision 1. [PROHIBITION.] *A person may not knowingly offer for sale or knowingly sell any sweeping compound product containing petroleum oil.*

Subd. 2. [PENALTY.] *A person who violates this section is guilty of a misdemeanor.*

Sec. 35. Minnesota Statutes 1990, section 400.08, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] *(a)* The rates and charges may be billed and collected in a manner the board shall determine.

(b) On or before October 15 in each year, the county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state.

(c) In addition to any other manner of collection that may be established under paragraph (a), a county may:

(1) require as a condition of a license issued under section 115A.93 that the licensee collect service charges established under subdivision 3 from solid waste generators for remittal to the county; and

(2) audit a licensed collector's records to ensure that all charges collected are remitted to the county.

Sec. 36. Minnesota Statutes 1990, section 400.08, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for ~~collection or disposal~~ *solid waste management services* that vary depending on the volume of waste generated;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste."

Page 15, line 7, before "No" insert "*(a)*"

Page 15, after line 20, insert:

"*(b) Until January 1, 1995, the prohibition in paragraph (a) applies only to unprocessed solid waste generated in the metropolitan area. For the purposes of this section, "unprocessed" has the meaning given in section 473.848, subdivision 5.*"

Page 15, after line 29, insert:

"Sec. 40. Laws 1990, chapter 600, section 7, is amended to read:

Sec. 7. [DUTIES OF THE ADVISORY TASK FORCE ON LOW-LEVEL RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on low-level radioactive waste deregulation shall:

(1) design and initiate a study that will be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including health, and environmental costs and effects, including both dollar and nondollar effects in both the long-term and the short-term;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study; and

(5) make a recommendation on continuation of the moratorium and other recommendations to the legislature by January 1, ~~1994~~ *1996*."

Page 16, after line 32, insert:

"Sec. 44. [ASSESSMENT OF REGIONAL WASTE MANAGEMENT NEEDS.]

By July 15, 1993, the director of the office of waste management, in consultation with, and after approval of metropolitan area information by, the chair of the metropolitan council, shall submit to the legislative commission on waste management a preliminary assessment of the need for additional regional solid waste management capacity in the state, including the metropolitan area. The preliminary assessment must be based on a review of existing county solid waste management plans, the current metropolitan solid waste management policy plan, and the current metropolitan counties' solid waste management master plans. The preliminary assessment of need for additional capacity must identify likely regions of the state, based on the current patterns for the flow and management of waste, within which the needs for capacity can be most efficiently and economically met. The assessment must be made in light of existing facilities and the waste

management priorities and policies stated in Minnesota Statutes, section 115A.02, with strong emphasis given to the potential for significant improvements in waste reduction and recycling.

Sec. 45. [DEGRADABLE LOOSE FOAM PACKING MATERIAL; REPORT.]

Subdivision 1. [DUTIES.] *The director of the office of waste management shall study the feasibility and consequences of requiring public entities and private industry to use degradable loose foam packing material manufactured from vegetable starches.*

Subd. 2. [REPORT.] *The director of the office of waste management shall report its findings, along with any proposed legislation the director believes necessary, to the legislative commission on waste management by January 1, 1993.*

Sec. 46. [COUNTY RECYCLING; REPORT; 1991.]

For the reports due on August 1, 1992, under Minnesota Statutes, section 115A.557, subdivision 3, counties shall report recycling rates and information for calendar year 1991 rather than for the previous fiscal year.

Sec. 47. [EFFECTIVE DATE OF SECTION 325E.125.]

The requirements of Minnesota Statutes, section 325E.125, subdivision 1, do not apply to batteries manufactured before July 1, 1993."

Page 16, after line 33, insert:

"*(a) The revisor of statutes is directed to change the words "office," "office's," "director," and "director of the office of waste management" wherever they appear in Minnesota Statutes, sections 115A.32 to 115A.39, to "board," "board's," "chair," and "chair of the board" respectively in the 1992 and subsequent editions of Minnesota Statutes.*

(b)"

Page 17, line 4, delete "*11, 12, 18, 20*" and insert "*12, 14, 23, 25*" and delete "*and 22*" and insert "*27*"

Page 17, line 5, after "*3,*" insert "*and 34*"

Page 17, line 6, delete "*13*" and insert "*15*"

Page 17, after line 7, insert:

"*Sections 19, 29, 30, 35, and 36 are effective the day following final enactment.*"

Page 17, line 8, delete "*19 and 20*" and insert "*24 and 25*"

Page 17, line 10, delete "*Section 22*" and insert "*Sections 3 and 27*"

Page 17, after line 11, insert:

"*Section 32 is effective July 1, 1993, and applies to batteries manufactured on or after that date.*"

Page 17, line 12, delete "*29*" and insert "*39*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "moving from the office

of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting;"

Page 1, line 6, after the semicolon, insert "expanding fee exemptions for waste residue from certain construction debris processing facilities;"

Page 1, line 11, after the semicolon, insert "changing provisions relating to low-level radioactive waste;"

Page 1, line 14, after the semicolon, insert "requiring an assessment of regional waste management needs;"

Page 1, lines 17 and 18, delete "115.071, subdivision 1;"

Page 1, line 19, after the second semicolon, insert "115A.32;"

Page 1, line 21, after the semicolon, insert "115A.87;"

Page 1, line 23, after "1;" insert "400.08, subdivisions 4 and 5;"

Page 1, line 26, delete "subdivision" and insert "subdivisions 4 and" and after the second semicolon, insert "115A.919, subdivision 3;"

Page 1, line 27, before "325E.1251" insert "116.90; 116C.852;"

Page 1, line 28, after "473.849;" insert "Laws 1990, chapter 600, section 7;"

Page 1, line 29, delete "chapter" and insert "chapters 16B;" and before the period, insert "; and 325E"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2510, 2743, 2196 and 2199 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2341, 2924, 2769, 2046, 1978, 2438, 1350, 2287, 2225, 2640, 2099 and 2137 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that S.F. No. 2173, No. 19 on General Orders, be stricken and returned to its author. The motion prevailed.

SUSPENSION OF RULES

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

CALENDAR

H.F. No. 1969: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex within the city of Bloomington.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2375: A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1898: A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1558: A bill for an act relating to retirement; Duluth fire and police pension plans; authorizing a joint consolidation account in the event of the consolidation of the Duluth fire department relief association with the public employees police and fire fund.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2465: A bill for an act relating to veterans; clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, sections 198.33, subdivision 1; and 365A.06, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Renneke
Beckman	Day	Johnson, D.J.	Moe, R.D.	Riveness
Belanger	Dicklich	Johnson, J.B.	Morse	Sams
Benson, D.D.	Finn	Johnston	Neuville	Samuelson
Benson, J.E.	Flynn	Knaak	Olson	Solon
Berg	Frank	Laidig	Pariseau	Terwilliger
Berglin	Frederickson, D.J.	Larson	Piper	Traub
Bernhagen	Frederickson, D.R.	Lessard	Pogemiller	Vickerman
Bertram	Gustafson	Luther	Price	Waldorf
Brataas	Hottinger	McGowan	Ranum	
Chmielewski	Hughes	Mehrkens	Reichgott	

Those who voted in the negative were:

Cohen	DeCramer	Marty	Mondale	Pappas
Davis	Kelly	Merriam	Novak	Spear

So the bill passed and its title was agreed to.

S.F. No. 1972: A bill for an act relating to highways; directing the commissioner of transportation to erect a directional sign on interstate highway No. 94 in St. Paul.

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 49 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Ranum
Beckman	Davis	Johnson, D.E.	Metzen	Reichgott
Benson, D.D.	Day	Johnson, D.J.	Moe, R.D.	Riveness
Berg	DeCramer	Johnson, J.B.	Mondale	Sams
Berglin	Dicklich	Johnston	Morse	Samuelson
Bernhagen	Finn	Kelly	Neuville	Solon
Bertram	Flynn	Knaak	Novak	Spear
Brataas	Frederickson, D.J.	Larson	Pappas	Terwilliger
Chmielewski	Frederickson, D.R.	Lessard	Pogemiller	Waldorf
Cohen	Hottinger	Luther	Price	

Those who voted in the negative were:

Belanger	Frank	Mehrkens	Pariseau	Vickerman
Benson, J.E.	Laidig	Olson	Renneke	

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; and muskie size limits; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2.

Mr. Berg moved that S.F. No. 2376, No. 17 on the Calendar, be stricken

and placed at the top of General Orders. The motion prevailed.

S.F. No. 2499: A bill for an act relating to natural resources; authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

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

So the bill passed and its title was agreed to.

S.F. No. 2389: A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001, subdivisions 1 and 3; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2377: A bill for an act relating to education; allowing a temporary school board structure for districts operating a cooperative secondary facility; amending Minnesota Statutes 1990, section 124.494, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 122.23, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt or equity securities are not approved for investment; amending Minnesota Statutes 1990, sections 11A.24, by adding a subdivision; and 473.666.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2136: A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

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 57 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Benson, J.E.	Brataas	Knaak	Larson

So the bill passed and its title was agreed to.

H.F. No. 2254: A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Hughes moved that the report from the Committee on Elections and Ethics, reported March 2, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Hughes moved that the foregoing report be now adopted. The motion prevailed.

Mr. Hughes moved that in accordance with the report from the Committee on Elections and Ethics, reported March 2, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

STATE ETHICAL PRACTICES BOARD

Elsa Carpenter, 4724 Emerson Avenue South, Minneapolis, Hennepin County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Douglas H. Sillers, Route 2, Box 180, Moorhead, Clay County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

Emily Anne Staples, 1640 Xanthus Lane, Plymouth, Hennepin County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Bruce Willis, 2940 Walnut Grove Lane, Plymouth, Hennepin County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

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

GENERAL ORDERS

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

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

S.F. Nos. 2337, 2256 and H.F. Nos. 1489, 2388, which the committee recommends to pass.

S.F. No. 1693, which the committee recommends to pass, subject to the following motions:

Mr. Waldorf moved to amend S.F. No. 1693 as follows:

Page 15, lines 3 and 13, delete "*public official*" and insert "*person*"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf then moved to amend S.F. No. 1693 as follows:

Page 15, line 10, before "*may*" insert "*or the person who would have committed suicide, in the case of an attempt,*"

Page 15, line 17, delete "*plus attorney fees*"

Page 15, line 24, before the period, insert "*or 5*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.R.	Laidig	Renneke
Beckman	Chmielewski	Hughes	Larson	Sams
Belanger	Dahl	Johnson, D.E.	McGowan	Spear
Benson, D.D.	Davis	Johnston	Merriam	Stumpf
Benson, J.E.	Day	Kelly	Neuville	Vickerman
Berg	DeCramer	Knaak	Olson	Waldorf
Bernhagen	Frank	Kroening	Pariseau	

Those who voted in the negative were:

Berglin	Hottinger	Mehrkens	Piper	Traub
Brataas	Johnson, J.B.	Metzen	Price	
Cohen	Lessard	Mondale	Ranum	
Finn	Luther	Morse	Reichgott	
Flynn	Marty	Novak	Riveness	

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 1693 as follows:

Page 5, line 24, after the semicolon, insert "*or*"

Page 5, delete lines 25 and 26

Page 5, line 27, delete "*(4)*" and insert "*(3)*"

Page 6, line 7, after the semicolon, insert "*or*"

Page 6, delete lines 8 and 9

Page 6, line 10, delete "*(4)*" and insert "*(3)*"

Page 9, line 20, after the semicolon, insert "*or*"

Page 9, delete lines 21 and 22

Page 9, line 23, delete "*(iv)*" and insert "*(iii)*"

Page 11, line 23, after the semicolon, insert "*or*"

Page 11, delete lines 24 and 25

Page 11, line 26, delete "*(iv)*" and insert "*(iii)*"

Page 13, line 23, after the semicolon, insert "*or*"

Page 13, delete lines 24 and 25

Page 13, line 26, delete "*(d)*" and insert "*(c)*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 38, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Mondale	Pogemiller	Spear
Brataas	Hottinger	Morse	Price	Traub
Cohen	Johnson, J.B.	Novak	Ranum	
Dicklich	Luther	Pappas	Reichgott	
Finn	Marty	Piper	Riveness	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.E.	McGowan	Sams
Beckman	Dahl	Johnson, D.J.	Mehrkens	Samuelson
Belanger	Davis	Johnston	Merriam	Solon
Benson, D.D.	Day	Knaak	Metzen	Stumpf
Benson, J.E.	DeCramer	Kroening	Neuville	Vickerman
Berg	Frank	Laidig	Olson	Waldorf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	
Bertram	Hughes	Lessard	Renneke	

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

The question was taken on the recommendation to pass S.F. No. 1693.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So S.F. No. 1693 was recommended to pass.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Dicklich; Larson; Moe, R.D.; Ms. Johnson, J.B. and Mr. Benson, D.D. introduced—

S.F. No. 2779: A resolution memorializing the Congress of the United States to fund special education costs in the amount originally intended under Public Law Number 94-142.

Referred to the Committee on Education.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2780: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; authorizing assessments for debt service; appropriating money; amending Minnesota Statutes 1990, sections 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; and 136C.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A and 136; repealing Minnesota Statutes 1990, section 136.03, subdivision 2.

Under the rules of the Senate, laid over one day.

Messrs. Beckman; Berg; Johnson, D.E.; Morse and Neuville introduced—

S.F. No. 2781: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Messrs. Halberg and Langseth were excused from the Session of today. Mr. Gustafson was excused from the Session of today at 12:45 p.m. Mr.

Kroening was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Stumpf was excused from the Session of today from 12:00 noon to 12:50 p.m. Mr. Moe, R.D. was excused from the Session of today at 1:30 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 1:30 p.m., Monday, March 30, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate