

NINETY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 7, 1992

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

CALL OF THE SENATE

Mr. Laidig 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. Fred A. Hueners.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2694.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2694: A bill for an act relating to public administration; providing

for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.12, by adding a subdivision; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 375.055, subdivision 1; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivisions 1 and 3; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.619, by adding a subdivision; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4;

121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivisions 2 and 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256; 256B; 256D; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 136E.01; 136E.02; 136E.03; 136E.04; 136E.05; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

Mr. Moe, R.D. moved that H.F. No. 2694 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Bernhagen introduced—

S.F. No. 2790: A bill for an act relating to uniform laws; enacting uniform land security interest act to regulate real estate security in excess of \$500,000; proposing coding for new law as Minnesota Statutes, chapter 506.

Referred to the Committee on Judiciary.

MOTIONS AND RESOLUTIONS - CONTINUED

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

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. 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. 2206, 2434 and H.F. No. 2113, which the committee recommends to pass.

S.F. No. 168, which the committee reports progress, after the following motions:

Mr. Cohen moved to amend S.F. No. 168 as follows:

Page 2, delete lines 12 to 17

Page 2, line 18, delete "FURTHER"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Luther	Piper	Traub
Brataas	Frederickson, D.J.	Marty	Pogemiller	
Cohen	Kelly	Merriam	Ranum	
DeCramer	Knaak	Mondale	Spear	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	McGowan	Renneke
Beckman	Day	Johnson, D.J.	Mehrkens	Riveness
Belanger	Dicklich	Johnson, J.B.	Metzen	Sams
Benson, D.D.	Finn	Johnston	Morse	Samuelson
Benson, J.E.	Frank	Kroening	Neuville	Stumpf
Berg	Frederickson, D.R.	Laidig	Novak	Terwilliger
Bernhagen	Gustafson	Langseth	Olson	Vickerman
Bertram	Halberg	Larson	Pariseau	Waldorf
Chmielewski	Hottinger	Lessard	Price	

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

Ms. Flynn moved to amend S.F. No. 168 as follows:

Page 2, line 10, after the semicolon, insert "and

WHEREAS, some of the American ideals for which the flag stands are not yet enshrined in the Constitution;"

Page 2, after line 17, insert:

"BE IT FURTHER RESOLVED that the Legislature urges the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, providing that equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex."

Amend the title as follows:

Page 1, line 7, before the period, insert ", and an amendment providing for equal rights for women and men under law"

Mr. Berg questioned whether the amendment was germane.

The Chair ruled that the amendment was germane.

Mr. Berg appealed the decision of the Chair.

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

The roll was called, and there were yeas 42 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Kroening	Morse	Riveness
Berglin	Gustafson	Langseth	Neuville	Sams
Bertram	Hottinger	Lessard	Novak	Samuelson
Brataas	Hughes	Luther	Pappas	Spear
Cohen	Johnson, D.E.	Marty	Piper	Traub
DeCramer	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Dicklich	Johnson, J.B.	Metzen	Price	
Finn	Kelly	Moe, R.D.	Ranum	
Flynn	Knaak	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Bernhagen	Frederickson, D.R.	Mehrkens	Renneke
Belanger	Davis	Halberg	Merriam	Stumpf
Benson, J.E.	Day	Johnston	Olson	Terwilliger
Berg	Frank	Laidig	Pariseau	Waldorf

The decision of the Chair was sustained.

S.F. No. 168 was then progressed.

S.F. No. 2336, which the committee reports progress, subject to the following motion:

Mr. Chmielewski moved to amend S.F. No. 2336 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [181.938] [NONWORK ACTIVITIES; PROHIBITED EMPLOYER CONDUCT.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "employer" has the meaning given it in section 179.01, subdivision 3.

Subd. 2. [PROHIBITED PRACTICE.] An employer may not refuse to hire a job applicant or discipline or discharge an employee because the applicant or employee engages in or has engaged in the use or enjoyment of lawful consumable products, if the use or enjoyment takes place off the premises of the employer during nonworking hours. For purposes of this section, "lawful consumable products" means products whose use or enjoyment is lawful and which are consumed during use or enjoyment, and

includes food, alcoholic or nonalcoholic beverages, and tobacco.

Subd. 3. [EXCEPTIONS.] (a) It is not a violation of subdivision 2, for an employer to restrict the use of lawful consumable products by employees during nonworking hours if the employer's restriction:

(1) relates to a bona fide occupational requirement and is reasonably related to employment activities or responsibilities of a particular employee or group of employees; or

(2) is necessary to avoid a conflict of interest or the appearance of a conflict of interest with any responsibilities owed by the employee to the employer.

(b) It is not a violation of subdivision 2, for an employer to refuse to hire an applicant or discipline or discharge an employee who refuses or fails to comply with the conditions established by a chemical dependency treatment or aftercare program.

(c) It is not a violation of subdivision 2, for an employer to offer, impose, or have in effect a health or life insurance plan that makes distinctions between employees for the type of coverage or the cost of coverage based upon the employee's use of lawful consumable products, provided that, to the extent that different premium rates are charged to the employees, those rates must reflect the actual differential cost to the employer.

(d) It is not a violation of subdivision 2, for an employer to refuse to hire an applicant or discipline or discharge an employee on the basis of the applicant's or employee's past or present job performance.

Subd. 4. [REMEDY.] The sole remedy for a violation of subdivision 2 is a civil action for damages. Damages are limited to wages and benefits lost by the individual because of the violation. A court shall award the prevailing party in the action, whether plaintiff or defendant, court costs and a reasonable attorney fee."

Delete the title and insert:

"A bill for an act relating to employment; prohibiting certain actions by an employer because of a job applicants' or employees' use of certain products; proposing coding for new law in Minnesota Statutes, chapter 181."

The motion prevailed. So the amendment was adopted.

S.F. No. 2336 was then progressed.

S.F. No. 2314, which the committee recommends to pass with the following amendment offered by Mr. Kroening:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 469.1831, is amended by adding a subdivision to read:

Subd. 8. [DISTRIBUTION OF NEIGHBORHOOD PARTICIPATION.] The city of Minneapolis shall ensure that all planning districts in the city are allowed to participate in its neighborhood revitalization program.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2213, which the committee recommends to pass with the following amendments offered by Messrs. Solon and Cohen:

Mr. Solon moved to amend S.F. No. 2213 as follows:

Page 3, line 26, delete "*Public Law Number 92-544*" and insert "*is authorized to exchange fingerprints with the federal bureau of investigation for the purpose of a criminal background check of the national files*"

Page 12, delete lines 13 and 14 and insert "*the Federal National Mortgage Association posted yields on 30-year mortgage commitments for delivery within 60 days on standard conventional fixed-rate mortgages published in the Wall Street Journal for the last business day of the second preceding month plus four percentage points.*"

Page 20, lines 25 and 26, delete "*identification required under subdivision 2, paragraph (g), that meets the requirements of section 29*" and insert "*a driver's license impervious to alteration as is reasonably practicable in the design and quality of material and technology*"

Page 33, delete section 29

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 2213 as follows:

Page 36, after line 13, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 11A.24, subdivision 4, is amended to read:

Subd. 4. [OTHER OBLIGATIONS.] (a) The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, mortgage participation certificates and pools, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(1) bankers acceptances of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit are limited to those issued by United States banks ~~and~~, savings institutions, *and credit unions* that are rated in the highest four quality categories by a nationally recognized rating agency, *that meet the collateral requirements established in section 9.031*, or whose certificates of deposit are fully insured by federal agencies;

(3) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(4) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects

meets the requirements of section 61A.28, subdivision 3;

(5) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(6) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency;

(7) savings accounts are limited to those fully insured by federal agencies.

(b) Sections 16A.58 and 16B.06 do not apply to certifications of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board may purchase from the Minnesota housing finance agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2743, which the committee recommends to pass with the following amendment offered by Mr. Hottinger:

Page 11, line 31, delete "62A.04" and insert "62A.03"

Page 11, line 32, delete ", subdivision 3a"

Page 12, line 31, after the first comma, insert "*not to exceed any charge limitation established by the Medicare program,*"

Page 36, line 19, delete "30" and insert "60"

The motion prevailed. So the amendment was adopted.

S.F. No. 2396, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 12, after line 1, insert:

"Sec. 21. [MINNEAPOLIS TEACHERS MODIFICATION OF DISABILITY BENEFITS.]

(a) *In accordance with Minnesota Statutes, section 354A.12, subdivision 4, the Minneapolis teachers retirement fund association may amend its articles of incorporation to clarify certain provisions governing disability*

benefits for members of the basic program and to conform certain administrative provisions to the statutory provisions applicable to disability benefits for coordinated program members, as provided in paragraphs (b) to (g).

(b) Article 5, section 5.11, may be amended to change the definition of "disability" from the "inability to render further satisfactory service as a teacher" to the "inability to engage in any substantial gainful activity" by reason of any medically determinable physical or mental impairment that can be expected to be of long continued and indefinite duration, which may not be less than one year.

(c) Article 21, section 21.3, may be amended to clarify that disability benefits accrue from the later of either 90 days following commencement of the permanent disability or the first day of the month following the date on which the written application for the disability benefit has been filed with the board.

(d) Article 21, section 21.4, may be amended to provide that basic program disability recipients submit to regular medical examinations at least once each year during the first five years of disability and at least once in every subsequent three-year period, in conformity with the requirements applicable to the coordinated program contained in Minnesota Statutes, section 354A.36, subdivision 6.

(e) Article 21, section 21.5, may be amended to provide that if a basic member disability recipient resumes gainful employment, and the earnings from that employment, together with the disability benefit payments, exceed the monthly compensation the member would have received if the member had remained in active teaching service in the position held prior to becoming disabled, the disability benefit shall be reduced by the excess.

(f) Article 21 may be amended by adding a subsection to provide that a basic program disability recipient who remains disabled until normal retirement age must be transferred to retirement status. The disability benefit terminates upon the transfer, and the person is subsequently entitled to receive a retirement annuity in accordance with the optional annuity previously elected or, if the person had not elected an optional annuity, then, at the person's option, either a straight life retirement annuity in accordance with the articles of incorporation or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained normal retirement age, whichever is greater, or an optional annuity as provided in the articles of incorporation. If an optional annuity is elected, the election must be made prior to the person's attaining normal retirement age and takes effect on the date of the election.

(g) Paragraphs (b) to (f) of this section apply to a basic member who applies for a disability benefit after the effective date of the amendments. Paragraphs (c) to (f) of this section also apply to basic program members who made application for disability benefits before the effective date of the amendments and who are currently receiving disability benefits."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing authority for the Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2702, which the committee reports progress, subject to the following motions:

Pursuant to Rule 22, Mr. McGowan moved that he be excused from voting on all questions relating to S.F. No. 2702. The motion prevailed.

Mr. Laidig moved to amend S.F. No. 2702 as follows:

Page 2, line 8, delete "This"

Page 2, delete lines 9 and 10

Page 2, line 12, delete "and" and insert a period

Page 2, delete lines 13 to 15

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.R.	Langseth	Pariseau
Beckman	Brataas	Halberg	Larson	Price
Belanger	Chmielewski	Hottinger	Luther	Renneke
Benson, D.D.	Dahl	Johnston	Metzen	Sams
Benson, J.E.	Day	Knaak	Morse	Solon
Berg	Finn	Kroening	Neuville	Terwilliger
Bernhagen	Frank	Laidig	Olson	Vickerman

Those who voted in the negative were:

Cohen	Marty	Pogemiller	Riveness	Traub
Davis	Moe, R.D.	Ranum	Spear	Waldorf
Flynn	Pappas	Reichgott	Stumpf	

The motion prevailed. So the amendment was adopted.

S.F. No. 2702 was then progressed.

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2648: A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 4; 474A.061, subdivision 1; and 474A.091, subdivisions 2 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 80A.15, subdivision 1, is amended to read:

Subdivision 1. The following securities are exempted from sections 80A.08 and 80A.16:

(a) Any security, including a revenue obligation, guaranteed by the United States, any state, any political subdivision of a state or any corporate or other instrumentality of one or more of the foregoing; but this exemption shall not include any industrial revenue bond. Pursuant to section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984, Public Law Number 98-440, this exemption does not apply to a security that is offered or sold pursuant to section 106(a)(1) or (2) of that act.

(b) Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any province, any agency or corporate or other instrumentality of one or more of the foregoing, if the security is recognized as a valid obligation by the issuer or guarantor; but this exemption shall not include any revenue obligation payable solely from payments to be made in respect of property or money used under a lease, sale or loan arrangement by or for a nongovernmental industrial or commercial enterprise.

(c) Any security issued by and representing an interest in or a debt of, or guaranteed by, any bank organized under the laws of the United States, or any bank, savings institution or trust company organized under the laws of any state and subject to regulation in respect of the issuance or guarantee of its securities by a governmental authority of that state.

(d) Any security issued by and representing an interest in or a debt of, or guaranteed by, any federal savings and loan association, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state.

(e) Any security issued or guaranteed by any federal credit union or any credit union, or similar association organized and supervised under the laws of this state.

(f) Any security listed or approved for listing upon notice of issuance on the New York Stock Exchange, the American Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange, or the Chicago Board Options Exchange; any other security of the same issuer which is of senior or substantially equal rank; any security called for by subscription rights or warrants so listed or approved; or any warrant or right to purchase or subscribe to any of the foregoing.

(g) Any commercial paper which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which evidences an obligation to pay cash within nine months of the date of issuance, exclusive of days of grace, or any renewal of the paper which is likewise limited, or any guarantee of the paper or of any renewal which are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television or direct mailing.

(h) Any interest in any employee's savings, stock purchase, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(i) Any security issued or guaranteed by any railroad, other common

carrier or public utility which is subject to regulation in respect to the issuance or guarantee of its securities by a governmental authority of the United States.

(j) Any interest in a common trust fund or similar fund maintained by a state bank or trust company organized and operating under the laws of Minnesota, or a national bank wherever located, for the collective investment and reinvestment of funds contributed thereto by the bank or trust company in its capacity as trustee, executor, administrator, or guardian; and any interest in a collective investment fund or similar fund maintained by the bank or trust company, or in a separate account maintained by an insurance company, for the collective investment and reinvestment of funds contributed thereto by the bank, trust company or insurance company in its capacity as trustee or agent, which interest is issued in connection with an employee's savings, pension, profit sharing or similar benefit plan, or a self-employed person's retirement plan.

(k) Any security which meets all of the following conditions:

(1) If the issuer is not organized under the laws of the United States or a state, it has appointed a duly authorized agent in the United States for service of process and has set forth the name and address of the agent in its prospectus;

(2) A class of the issuer's securities is required to be and is registered under section 12 of the Securities Exchange Act of 1934, and has been so registered for the three years immediately preceding the offering date;

(3) Neither the issuer nor a significant subsidiary has had a material default during the last seven years, or for the period of the issuer's existence if less than seven years, in the payment of (i) principal, interest, dividend, or sinking fund installment on preferred stock or indebtedness for borrowed money, or (ii) rentals under leases with terms of three years or more;

(4) The issuer has had consolidated net income, before extraordinary items and the cumulative effect of accounting changes, of at least \$1,000,000 in four of its last five fiscal years including its last fiscal year; and if the offering is of interest bearing securities, has had for its last fiscal year, net income, before deduction for income taxes and depreciation, of at least 1-1/2 times the issuer's annual interest expense, giving effect to the proposed offering and the intended use of the proceeds. For the purposes of this clause "last fiscal year" means the most recent year for which audited financial statements are available, provided that such statements cover a fiscal period ended not more than 15 months from the commencement of the offering;

(5) If the offering is of stock or shares other than preferred stock or shares, the securities have voting rights and the rights include (i) the right to have at least as many votes per share, and (ii) the right to vote on at least as many general corporate decisions, as each of the issuer's outstanding classes of stock or shares, except as otherwise required by law; and

(6) If the offering is of stock or shares, other than preferred stock or shares, the securities are owned beneficially or of record, on any date within six months prior to the commencement of the offering, by at least 1,200 persons, and on that date there are at least 750,000 such shares outstanding with an aggregate market value, based on the average bid price for that day, of at least \$3,750,000. In connection with the determination of the number of persons who are beneficial owners of the stock or shares of an issuer,

the issuer or broker-dealer may rely in good faith for the purposes of this clause upon written information furnished by the record owners.

(l) Any certificate of indebtedness sold or issued for investment, other than a certificate of indebtedness pledged as a security for a loan made contemporaneously therewith, and any savings account or savings deposit issued, by an industrial loan and thrift company.

(m) Any security designated or approved for designation upon notice of issuance on the NASDAQ/National Market System; any other security of the same issuer that is of senior or substantially equal rank; any security called for by subscription rights or warrants so designated or approved; or any warrant or right to purchase or subscribe to any of the securities referred to in this paragraph; provided that the National Market System provides the commissioner with notice of any material change in its designation requirements. The commissioner may revoke this exemption if the commissioner determines that the designation requirements are not enforced or are amended in a manner that lessens protection to investors.

(n) Any bond or similar interest-bearing security issued by the United States, any state, any political subdivision of any state, or any corporate or other instrumentality of one or more of any of those entities (including any certificate of participation representing an interest in an obligation of any of the foregoing) that has been rated in one of the top four letter categories by Standard & Poor's Corporation, Moody's Investors Services, Inc., Fitch Investors Service, Inc., or any other nationally recognized rating service approved by the commissioner.

Sec. 2. Minnesota Statutes 1990, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$250,000,000~~ \$350,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 3. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct

and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, *consistent with subdivisions 2b and 2c*. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the

commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines *consistent with subdivisions 2b and 2c* to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 4. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A + by Best & Co.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 5. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2c. [DEPOSIT OF SECURITIES.] Securities described in subdivision 2b must be deposited with the state treasurer or deposited in a custodial account with a depository institution acceptable to the state treasurer. The instrument or contract creating and governing any custodial account must contain the following assignment language: "The account is hereby assigned to the state treasurer by the company for the payment of compensation and the performance of the obligations of employers imposed under Minnesota Statutes, chapter 176. The company has no right, title, or interest in the security deposited in the account until released by the state."

All instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner of commerce for a period of time as dictated by the applicable statute of limitations provided in this chapter. The custodian of any custodial account shall report to the commissioner of commerce the market value of the instruments held in the account once each month. No custodial accounts assigned to the state shall be released without an order from the commissioner of commerce.

Sec. 6. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in sections 3 to 5.

Sec. 7. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

*Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ *assessment revenue notes* or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.*

Sec. 8. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) "Existing housing" means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) "Metropolitan area" means the metropolitan area as defined in section 473.121, subdivision 2.

(d) "New housing" means single-family housing that has not been previously occupied.

(e) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the ~~agency~~ city finds *by resolution* that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 9. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

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

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

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and but the contract provides~~ for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

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

(i) the project is financed with the proceeds of bonds issued under section 469.034 *or from nongovernmental sources*;

(ii) the project is *either* located on land that is ~~not owned or is being acquired~~ by the authority ~~at the time the contract is entered into, or is owned~~

~~by the authority~~ only for development purposes, ~~and or is not owned by the authority at the time the contract is entered into but the contract provides~~ for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 10. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality or redevelopment agency may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 11. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~\$100~~ \$20 for each ~~\$500,000~~ \$100,000 of entitlement or allocation requested, with the request rounded to the nearest ~~\$500,000~~ \$100,000. The minimum fee is ~~\$100~~ \$20. Fees received by the commissioner must be credited to the general fund.

Sec. 12. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16,

section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law.~~ Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 13. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

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

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. *This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.*

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

Sec. 14. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an

allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. *Subdivision 4 applies to an allocation made under this section.* The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 15. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

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

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

Sec. 16. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;

- (2) applications for residential rental project bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, \$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds manufacturing projects and public facility bonds agricultural development bond loan projects, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, and residential

rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 17. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or (2) a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2) (3)~~ (3) a general obligation of the Minnesota housing finance agency, or ~~(3) (4)~~ (4) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4) (5)~~ (5) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency; ~~provided that~~. Investments under clauses ~~(2) (3)~~ (3) and ~~(3) (4)~~ (4) must be in obligations that are rated A or better by a national bond rating service and ~~provided that~~ investments under clause ~~(4) (5)~~ (5) must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior

unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 18. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1 of 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

Sec. 19. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] If federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after May 31, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this

section.

Subd. 2. [ALLOCATION.] For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.

Subd. 3. [CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.

Sec. 20. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to bond allocation; providing conditions and requirements for issuance of debt and for the financial obligations of authorities; exempting certain securities from registration requirements; defining acceptable securities for use by self-insurers for workers' compensation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1990, sections 80A.15, subdivision 1; 136A.29, subdivision 9; 176.181, subdivision 2, and by adding subdivisions; 429.091, subdivision 2; 469.015; subdivision 4; Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

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 report from the Committee on Health and Human Services, shown in the Journal for March 27, 1992, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Governmental Operations". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily

residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reports the same back with the recommendation that the report from the Committee on Taxes and Tax Laws, shown in the Journal for April 6, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2402: A bill for an act relating to state government; executive council; regulating depositories for state funds; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 1, 2, 3, 4, 5, and 10.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 31, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2323: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 897: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, sections 169.121, subdivisions 1a, 3, and 3b; and 169.123, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 30, 1992, be adopted; that committee recommendation being:

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

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

S.F. No. 1910: A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

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

Page 1, line 22, delete "3.5 percent" and insert "*the difference between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 4d, paragraph (a)*"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2788: A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.09; 5.14; 15.0597, subdivision 4; 16A.15, subdivision 1; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding subdivisions; 85A.02, subdivision 17; 85A.04, subdivision 1; 115D.04, subdivision 2; 115D.08; 116J.9673, subdivision 4; 138.56, by adding a subdivision; 144.123, subdivision 2; 147.01, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 246A.12, subdivision 7; 253B.10, subdivision 1; 254B.06, subdivision 3; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.092, by adding a subdivision; 256B.15, subdivision 2; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; 256B.48, subdivision 1b, and by adding a subdivision; 256B.501, by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.05, by adding a subdivision; 256D.051, by adding subdivisions; 256D.06, subdivision 5; 256D.101, by adding a subdivision; 256D.54, subdivision 3; 256E.14; 256H.10, subdivision 1; 256I.04, as amended; 256I.05, subdivision 1; 270.71; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 349.161, subdivision 4; 349.163, subdivision 2; 353.27, subdivision 13; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06;

477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 84.0855; 89.37, subdivision 4; 144A.071, subdivision 3; 144A.46, subdivisions 1 and 2; 144A.49; 148.921, subdivision 2; 182.666, subdivision 2; 251.011, subdivision 3; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, and 20; 256B.0625, subdivision 17; 256B.0627, subdivision 5; 256B.0913, subdivisions 4, 5, 12, and 14; 256B.0915, subdivision 3; 256B.0917, subdivision 8; 256B.431, subdivisions 2m 2o, and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 3; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 340A.311; 340A.316; 340A.504, subdivision 3; 357.021, subdivision 2; 611.27, subdivision 7; and Laws 1991, chapter 233, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 115B; 144; 144A; 178; 246; 256; 256B; 256I; 501B; and 514; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 85.012, subdivision 27a; 211A.04, subdivision 2; 256D.052, as amended; 256D.09, subdivision 3; 256I.05, subdivision 7; 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.056, subdivision 3a; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; and Laws 1991, chapter 292, article 4, section 77.

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

Page 4, after line 13, insert:

**"Subd. 3. Collegiate License
Plate Proceeds**

The appropriations in Laws 1991, chapter 233, section 5, subdivision 8, for costs relating to collegiate plates for the academic excellence scholarship are transferred for the same purpose to the state university board to be placed in the system-wide administrative fund. Any unexpended balance in the appropriation for fiscal year 1992 may be carried forward into fiscal year 1993."

Page 4, after line 34, insert:

"Sec. 9. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special collegiate license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.12;

(4) pays the fees required under this chapter;

(5) contributes at least ~~\$100~~ \$25 annually to the scholarship account established in subdivision 6; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Sec. 10. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] After consultation with each participating college, university or post-secondary system, the commissioner shall design the special collegiate plates.

In consultation with the commissioner, a participating college or university annually shall indicate the anticipated number of plates needed. ~~Plates will be produced when the commissioner has received at least 200 applications.~~

Renumber the sections of article 1 in sequence

Page 12, line 11, delete "(a)"

Page 12, lines 18 and 33, delete "15" and insert "35"

Page 12, delete lines 24 to 28

Page 13, line 2, delete "15" and insert "35"

Page 13, delete lines 8 to 24

Page 13, line 26, delete the first semicolon and insert ", and" and delete "and 3"

Renumber the subdivisions in sequence

Page 68, line 26, delete "*must make an effort to*" and insert "*shall*"

Amend the title as follows:

Page 2, line 8, before "182.666" insert "168.129, subdivisions 1 and 2;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2648, 2378, 2402, 2323, 1910 and 2788 were read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 2788. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2788 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2788: A bill for an act relating to the organization and operation of state government; providing for programs relating to higher education; environment and natural resources; agriculture, transportation, semi-state, and regulatory agencies; economic and state affairs; health and human services; providing for regulation of certain activities and practices; making fund and account transfers; providing for fees; making grants; appropriating money and reducing earlier appropriations with certain conditions; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.09; 5.14; 15.0597, subdivision 4; 16A.15, subdivision 1; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding subdivisions; 85A.02, subdivision 17; 85A.04, subdivision 1; 115D.04, subdivision 2; 115D.08; 116J.9673, subdivision 4; 138.56, by adding a subdivision; 144.123, subdivision 2; 147.01, by adding a subdivision; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 246A.12, subdivision 7; 253B.10, subdivision 1; 254B.06, subdivision 3; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.0625, by adding subdivisions; 256B.092, by adding a subdivision; 256B.15, subdivision 2; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; 256B.48, subdivision 1b, and by adding a subdivision; 256B.501, by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.05, by adding a subdivision; 256D.051, by adding subdivisions; 256D.06, subdivision 5; 256D.101, by adding a subdivision; 256D.54, subdivision 3; 256E.14; 256H.10, subdivision 1; 256I.04, as amended; 256I.05, subdivision 1; 270.71; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 349.161, subdivision 4; 349.163, subdivision 2; 353.27, subdivision 13; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivisions 2 and 3; 466.06; 477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 84.0855; 89.37, subdivision 4; 144A.071, subdivision 3; 144A.46, subdivisions 1 and 2; 144A.49; 148.921, subdivision 2; 168.129, subdivisions 1 and 2; 182.666, subdivision 2; 251.011, subdivision 3; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, and 20; 256B.0625, subdivision 17; 256B.0627, subdivision 5; 256B.0913, subdivisions 4, 5, 12, and 14; 256B.0915, subdivision 3; 256B.0917, subdivision 8; 256B.431, subdivisions 2m 2o, and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 3; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 340A.311; 340A.316;

340A.504, subdivision 3; 357.021, subdivision 2; 611.27, subdivision 7; and Laws 1991, chapter 233, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 115B; 144; 144A; 178; 246; 256; 256B; 256I; 501B; and 514; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 85.012, subdivision 27a; 211A.04, subdivision 2; 256D.052, as amended; 256D.09, subdivision 3; 256I.05, subdivision 7; 270.185; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 144A.071, subdivision 3a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.056, subdivision 3a; 256B.74, subdivisions 8 and 9; 256I.05, subdivision 7a; and Laws 1991, chapter 292, article 4, section 77.

Mr. Knaak moved to amend S.F. No. 2788 as follows:

Page 74, delete lines 28 to 37 and insert:

"The commissioner shall use the fiscal year 1993 appropriation for regional treatment center chemical dependency treatment programs to offset any unfunded liability in the consolidated chemical dependency treatment fund (CCDTF) for eligible persons for the purpose of ensuring appropriate community-based care for persons with chemical dependency."

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

Mr. Knaak then moved to amend S.F. No. 2788 as follows:

Page 184, delete lines 23 to 35 and insert:

"The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization; unless the costs of care at the state-operated facility exceed 120 percent of the cost for comparable, appropriate care in a private facility."

Pages 184 and 185, delete section 2

Renumber the sections of article 10 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger
Benson, D.D.
Benson, J.E.

Brataas
Halberg
Johnston

Knaak
Laidig

McGowan
Renneke

Terwilliger
Traub

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Merriam	Price
Beckman	Dicklich	Johnson, J.B.	Metzen	Ranum
Berg	Finn	Kelly	Moe, R.D.	Samuelson
Berglin	Flynn	Kroening	Mondale	Solon
Bernhagen	Frank	Langseth	Morse	Spear
Bertram	Frederickson, D.R.	Larson	Neuville	Stumpf
Cohen	Hottinger	Lessard	Pariseau	Vickerman
Davis	Hughes	Luther	Piper	
Day	Johnson, D.E.	Mehrkens	Pogemiller	

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

Mr. Terwilliger moved to amend S.F. No. 2788 as follows:

Page 95, line 34, after "(1)" insert "*exclude from the surcharge under subdivision 1 those nursing homes not participating in the medical assistance program; (2)*"

Renumber the clauses in sequence

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

Mr. Knaak moved to amend S.F. No. 2788 as follows:

Page 73, after line 61, insert:

"\$30,000,000 shall be transferred from the regional treatment center account to the medical assistance account for services to persons with developmental disabilities. This transfer shall be used to fund community-based waiver and related services for the purpose of assisting counties in serving developmentally disabled persons, and to begin correcting the imbalance of financial allocations wherein eight percent of the identified developmentally disabled population consumes 39 percent of the allocated monies."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 43, as follows:

Those who voted in the affirmative were:

Belanger	Benson, J.E.	Knaak	Pariseau	Renneke
Benson, D.D.	Johnston	McGowan		

Those who voted in the negative were:

Adkins	Frank	Kelly	Mondale	Sams
Beckman	Frederickson, D.J.	Kroening	Morse	Samuelson
Berglin	Frederickson, D.R.	Laidig	Neuville	Solon
Bertram	Halberg	Larson	Pappas	Spear
Davis	Hottinger	Lessard	Piper	Stumpf
Day	Hughes	Luther	Pogemiller	Traub
DeCramer	Johnson, D.E.	Merriam	Price	Vickerman
Finn	Johnson, D.J.	Metzen	Ranum	
Flynn	Johnson, J.B.	Moe, R.D.	Riveness	

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

Mr. Johnson, D.E. moved to amend S.F. No. 2788 as follows:

Page 47, after line 19, insert:

"From the closing of filings for office in the respective body until the general election, no

legislative employee may engage in campaign activity during hours of employment. Campaign activity means mailings of campaign committees, fundraising, polling, and campaign material design and dissemination."

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend S.F. No. 2788 as follows:

Pages 78 and 79, delete section 2

Page 85, after line 23, insert:

"Sec. 9. [ALLOTMENT REDUCTION.]

The commissioner of finance, with the approval of the governor, shall reduce allotments to state agencies for the fiscal year ending June 30, 1993, by \$3,000,000."

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend the amendment placed on S.F. No. 2788 by the Committee on Taxes and Tax Laws, adopted by the Senate April 7, 1992, as follows:

Page 3, delete line 2 and insert:

"Page 12, lines 12, 30, and 35, delete "1993" and insert "1994""

Page 3, lines 3 and 5, delete "35" and insert "20"

Page 3, delete line 4

Page 3, delete lines 6 to 9 and insert:

"Page 13, lines 9 and 15, delete "15" and insert "20"

Page 13, line 17, delete "1993" and insert "1994""

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Sams
Beckman	Day	Johnson, J.B.	Morse	Samuelson
Benson, D.D.	DeCramer	Langseth	Neuville	Spear
Benson, J.E.	Finn	Larson	Olson	Stumpf
Berg	Frederickson, D.J.	Lessard	Pappas	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Pariseau	
Bertram	Halberg	Marty	Piper	
Brataas	Hottinger	McGowan	Reichgott	
Cohen	Johnson, D.E.	Merriam	Renneke	

Those who voted in the negative were:

Belanger	Hughes	Mehrkens	Price	Waldorf
Berglin	Johnston	Metzen	Ranum	
Dahl	Knaak	Mondale	Riveness	
Flynn	Kroening	Novak	Terwilliger	
Frank	Laidig	Pogemiller	Traub	

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend S.F. No. 2788 as follows:

Page 80, line 10, delete "(a)"

Page 81, line 12, delete everything after the period

Page 81, delete lines 13 to 21

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend S.F. No. 2788 as follows:

Page 45, after line 29, insert:

"Sec. 52. [STONE ARCH BRIDGE.]

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners shall transfer legal title to the James J. Hill stone arch bridge to the Minnesota department of transportation for a consideration of \$1,001. The deed of conveyance shall provide for reversion of the property to the county in the event the county has need of the bridge for light rail transit."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 2788 as follows:

Page 27, after line 22, insert:

"Sec. 37. Minnesota Statutes 1990, section 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ~~ten~~ thirteen members with the director of the Minnesota historical society as chair. The members include the mayor, *the chairman of the Hennepin county board of commissioners*, two members each from the city council, *the Hennepin county board*, and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 38. Minnesota Statutes 1990, section 138.766, is amended to read:

138.766 [MATCH.]

The city of Minneapolis, *Hennepin county*, and the park board shall provide match in money or in kind for the project under sections 138.761 to 138.765 on a dollar for dollar basis."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 2788 as follows:

Page 52, after line 10, insert:

"Money returned to the commissioner of trade

and economic development under contracts to host major events must be credited to a special account to be used, when directly appropriated, to attract and host additional major events."

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

Mr. Benson, D.D. moved to amend S.F. No. 2788 as follows:

Page 172, line 25, delete everything before "*occurrence*" and insert "*an*"

Page 172, line 28, delete the semicolon and insert "*or three months, whichever is longer.*"

Page 172, delete lines 29 to 36

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

Mr. Finn moved to amend S.F. No. 2788 as follows:

Page 7, after line 42, insert:

"Department of natural resources forestry area and district boundaries existing on January 1, 1992, may not be changed unless supported by a cost-benefit analysis. Proposed boundary changes may be implemented 90 days after the proposal and supporting cost-benefit analysis have been provided to the chairs of the senate finance committee division on environment and natural resources and the house of representatives appropriations committee division of environment and natural resources."

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 2788 as follows:

Page 60, line 10, delete "\$3,500" and insert "\$5,000"

Page 60, line 15, delete "\$5,000" and insert "\$10,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 7 and nays 52, as follows:

Those who voted in the affirmative were:

Berglin Flynn	Kroening McGowan	Merriam	Moe, R.D.	Piper
------------------	---------------------	---------	-----------	-------

Those who voted in the negative were:

Adkins	Dahl	Johnson, J.B.	Morse	Samuelson
Beckman	Davis	Johnston	Neuville	Solon
Belanger	Day	Knaak	Olson	Spear
Benson, D.D.	DeCramer	Laidig	Pariseau	Stumpf
Benson, J.E.	Dicklich	Langseth	Pogemiller	Terwilliger
Berg	Finn	Larson	Price	Traub
Bernhagen	Frank	Lessard	Ranum	Vickerman
Bertram	Frederickson, D.J.	Luther	Reichgott	Waldorf
Brataas	Frederickson, D.R.	Mehrkens	Renneke	
Chmielewski	Johnson, D.E.	Metzen	Riveness	
Cohen	Johnson, D.J.	Mondale	Sams	

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

Ms. Berglin moved to amend S.F. No. 2788 as follows:

Page 95, line 9, after the stricken "is" insert "*to be*" and reinstate the stricken "appropriated" and after the reinstated "appropriated" insert "*by the legislature*" and reinstate the stricken "to the"

Page 95, line 10, reinstate the stricken "commissioner of human services for the purposes of"

Page 95, line 11, before the period, insert "*medical care programs*"

Page 158, line 29, delete "68,"

Page 158, line 30, delete "69,"

Page 158, after line 33, insert:

"Section 68 is effective October 1, 1992, but is not effective in the event that the health right program is not enacted into law prior to that date. Section 69 is effective October 1, 1992, but in the event the health right program is not enacted into law prior to that date the percentage increases in reimbursement rates provided for in that section are reduced to ten percent."

Renumber the sections of article 8 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend S.F. No. 2788 as follows:

Page 59, after line 18, insert:

"Sec. 37. Minnesota Statutes 1990, section 138.40, subdivision 2, is amended to read:

Subd. 2. State and other governmental agencies shall comply with and aid in the enforcement of provisions of sections 138.31 to 138.42. Conservation officers and other enforcement officers of the department of natural resources shall enforce the provisions of sections 138.31 to 138.42 and report violations to the director of the society. When archaeological or historic sites are known or based on investigations or are suspected to exist on public lands or waters, the agency or department controlling said lands or waters shall use the professional services of archaeologists from the University of Minnesota, Minnesota historical society, or other qualified professional archaeologists, to preserve these sites. In the event that archaeological excavation is required to protect or preserve these sites, state and other governmental agencies may use their funds for such activities. *The historical society shall reimburse a county for any expenditures, not exceeding \$2,000, incurred for the purpose of conducting a survey of any bridge replacement or improvement project site to determine the existence of archaeological or historic sites. The historical society shall reimburse a county for any expenditures, not exceeding \$8,000, incurred for the purpose of compiling a historical documentation of any bridge replacement or improvement site or for the purpose of preserving any archaeological or historic site in connection with a bridge replacement or improvement project. The historical society shall not reimburse a county for any expenditures related to archaeological or historic site preservation purposes for which the county receives reimbursement from the federal government or any other state agency.*"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

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

Mr. Neuville moved to amend S.F. No. 2788 as follows:

Page 50, after line 37, insert:

“With each passing year, this nation becomes deeply in debt as its expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds three trillion dollars.

Attempts to limit spending, including impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress.

The annual Federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues.

The unified budget does not reflect actual spending because of the exclusion of special outlays which are not in the budget.

Knowledgeable planning and fiscal prudence require that the budget reflect all Federal spending and that the budget be in balance.

Believing that fiscal irresponsibility at the Federal level is one of the greatest economic threats which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend.

Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary or, on the application of the Legislatures of two-thirds of the several States, the Congress shall call a constitutional convention for the purposes of proposing amendments.

The Legislature of the State of Minnesota with a majority of all members of the two Houses, voting separately, concur that the Congress of the United States is petitioned to adopt an amendment to the Constitution of the United States, for submission to the States for ratification, requiring, with certain exceptions, that for each fiscal year, the President of the United States shall submit and the Congress of the

United States shall adopt a balanced federal budget; or, in the alternative, that pursuant to Article V of the Constitution of the United States, the Legislature of the State of Minnesota makes application to the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States, for submission to the States for ratification, requiring, with certain exceptions, that for each fiscal year, the President of the United States shall submit and the Congress of the United States shall adopt a balanced federal budget.

If Congress adopts, within 60 days after the Legislatures of two-thirds of the States have made application for such a convention, an amendment to the Constitution of the United States similar in subject matter to that contained in this resolution, then this application for a convention shall no longer be of any force or effect.

This application and request shall be deemed null and void, rescinded, and of no effect in the event that the convention is not limited to that specific and exclusive purpose.

This application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several States have made application for a similar convention pursuant to Article V or the Congress has proposed an amendment to the Constitution of the United States similar in subject matter to that contained in this resolution.

The Secretary of State of the State of Minnesota is directed to prepare certified copies of this memorial and transmit them to the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, the Minnesota Senators and Representatives in Congress, and to the presiding officer of each House of each State legislature in the United States."

Mr. Luther questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Neuville appealed the decision of the President.

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

The roll was called, and there were yeas 44 and nays 17, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Halberg	Laidig	Neuville	Terwilliger
Benson, J.E.	Johnson, D.E.	Larson	Olson	
Bernhagen	Johnston	McGowan	Pariseau	
Day	Knaak	Mehrken	Renneke	

The decision of the President was sustained.

Mr. McGowan moved to amend S.F. No. 2788 as follows:

Page 19, after line 7, insert:

“Subd. 6. Regional Transit Board

-0- 3,000,000

This appropriation is from the general fund for metro mobility, notwithstanding Laws 1991, chapter 233, section 3.”

Correct the subdivision and section totals and the summaries by fund accordingly

Page 47, line 2, delete “and” and insert a comma and before “are” insert “and Minnesota Statutes 1991 Supplement, section 290.06, subdivision 23,”

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Knaak	Olson	Terwilliger
Belanger	Day	Laidig	Pariseau	Vickerman
Benson, D.D.	Flynn	Larson	Ranum	Waldorf
Benson, J.E.	Frank	McGowan	Reichgott	
Bernhagen	Halberg	Mehrken	Renneke	
Brataas	Johnston	Neuville	Riveness	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Morse	Solon
Berglin	Finn	Luther	Novak	Spear
Bertram	Hottinger	Marty	Pappas	Stumpf
Chmielewski	Johnson, D.J.	Merriam	Piper	Traub
Cohen	Johnson, J.B.	Metzen	Pogemiller	
Dahl	Kroening	Moe, R.D.	Price	
DeCramer	Langseth	Mondale	Samuelson	

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

Mr. Neuville moved to amend S.F. No. 2788 as follows:

Page 190, after line 14, insert:

"ARTICLE 11

HIGHER EDUCATION SAVINGS PLAN

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 savings 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."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Johnston	Mondale	Terwilliger
Benson, D.D.	Day	Knaak	Neuville	Traub
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	
Berg	Halberg	Larson	Pariseau	
Bernhagen	Hottinger	McGowan	Renneke	
Bertram	Johnson, D.E.	Mehrken	Riveness	

Those who voted in the negative were:

Adkins	Finn	Lessard	Novak	Sams
Beckman	Flynn	Luther	Pappas	Samuelson
Chmielewski	Frederickson, D.J.	Marty	Piper	Solon
Dahl	Johnson, D.J.	Merriam	Pogemiller	Spear
Davis	Johnson, J.B.	Metzen	Price	Stumpf
DeCramer	Kroening	Moe, R.D.	Ranum	Vickerman
Dicklich	Langseth	Morse	Reichgott	Waldorf

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

Mr. McGowan moved to amend S.F. No. 2788 as follows:

Page 64, after line 31, insert:

"Sec. 47. Minnesota Statutes 1990, section 477A.012, subdivision 3, is amended to read:

Subd. 3. [AID OFFSET FOR COURT COSTS.] (a) There shall be

deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost (1) of district court administration and operation of the trial court information system in the county and, (2) ~~in the case of Hennepin and Ramsey counties, of public defense services in juvenile and misdemeanor cases in the county and~~ (3) in the case of a county that is located in the eighth judicial district, of the cost of operation of the trial courts in the county during calendar year 1991 less the amount of any special levy under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14. The amount of the deduction shall be computed as provided in this subdivision.

(b) ~~By October 15, 1989, the board of public defense shall determine and certify to the department of revenue the cost of the state-financed public defense services in juvenile and misdemeanor cases for Hennepin and Ramsey counties during the fiscal year beginning the following July 1.~~ By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the pro rata estimated share for each county of district court administration and trial court information system costs during the fiscal year beginning on the following July 1.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each payment to the county under section 477A.015 in 1990-1993 and each subsequent year. One-half of the sum of the amounts computed under paragraph (f) shall be deducted from each payment to a county located in the eighth judicial district under section 477A.015 in 1991 only; except that, if the legislature in its 1991 session does not appropriate funds for the operation of the trial courts in the eighth judicial district for the period July 1, 1991, through December 31, 1991, only 25 percent of the sum of the amounts computed under paragraph (f) shall be deducted from each payment to each county in the eighth judicial district.

(d) If the amount computed under paragraph (b) plus, if applicable, the amount deducted under paragraph (c), exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

(e) By July 15, 1990, the board of public defense and the supreme court shall determine and certify to the department of revenue the final actual budgeted amounts for the activities described in paragraph (b). If the amount certified under paragraph (b) is greater than the amount certified under this paragraph, the excess shall be added to the aid payable to the county in 1991 and each subsequent year under this section. If the amount certified under paragraph (b) is less than the amount certified under this paragraph, the difference shall be subtracted from the aid payable to the county in 1991 and each subsequent year under this section.

(f) By August 15, 1990, the supreme court shall determine and certify to the department of revenue for each county located in the eighth judicial district, the county's pro rata estimated share of the operation of the trial courts in the county for calendar year 1991, less an amount equal to the fees and fines collected by the trial courts in the county during calendar year 1989. By August 15, 1990, the board of public defense shall determine and certify to the department of revenue for each of those counties, the county's pro rata estimated share of the base funding for the cost of court-appointed defense services other than those specified in section 275.51,

subdivision 3f, for calendar year 1991.

Sec. 48. Minnesota Statutes 1991 Supplement, section 477A.012, subdivision 6, is amended to read:

Subd. 6. [AID OFFSET FOR 1992 COURT AND PUBLIC DEFENDER COSTS.] (a) There shall be deducted from the payment to a county under this section an amount equal to the cost of jury fees ~~and, in the case of a county located in the third or sixth judicial district, of public defense services in juvenile and misdemeanor cases,~~ to the extent those costs are assumed by the state for the fiscal year beginning on July 1, 1992. The amount of the deduction is computed as provided in this subdivision.

(b) By June 30, 1991, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the cost for each county of jury fees during the fiscal year beginning on July 1, 1992.

(c) ~~By June 30, 1991, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county in the third or sixth judicial district of the cost of the state-financed public defense services in juvenile and misdemeanor cases in the third or sixth judicial district during the fiscal year beginning on July 1, 1992.~~

~~(d)~~ One-half of the amount computed under ~~paragraphs~~ paragraph (b) and (e) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1992 1993 and each subsequent year. If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3."

Page 65, after line 16, insert:

"Sec. 50. Minnesota Statutes 1991 Supplement, section 611.23, is amended to read:

611.23 [OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.]

~~The state public defender is responsible to the state board of public defense.~~ The state public defender shall be appointed by the state board of public defense ~~supreme court~~ for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and be removed only for cause by the appointing authority. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the state board of public defense ~~supreme court~~ but must not exceed the salary of the chief deputy attorney general. Terms of the state public defender shall commence on July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 51. Minnesota Statutes 1991 Supplement, section 611.24, is amended to read:

611.24 [ORGANIZATION OF OFFICE; ASSISTANTS.]

~~The state public defender shall supervise the operation, activities, policies~~

~~and procedures of the state public defender system. The state public defender shall employ or retain assistant state public defenders, a chief administrator, a deputy state public defender in charge of appellate services, and other personnel as may be necessary to discharge the functions of the office. An assistant state public defender shall be a qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state if employed, and serve at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments. Retained or part-time employed assistant state public defenders may engage in the general practice of law.~~

Sec. 52. Minnesota Statutes 1991 Supplement, section 611.25, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] ~~The state public defender shall prepare an annual report to the board and a report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the district public defender system, consistent with standards adopted by the state board of public defense.~~

Sec. 53. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT; TERMS.] ~~The state local board of public defense shall appoint a chief district public defender for each judicial district. When appointing a chief district public defender, In judicial districts comprised of one county, the state local board of public defense membership shall be increased to include two residents of the district appointed by the chief judge of the district to reflect the characteristics of the population served by the public defender in that district. The additional members shall serve only in the capacity of selecting the district public defender consists of the county board. In other judicial districts, the local board of public defense is comprised of two county commissioners from each county. The ad hoc state local board of public defense shall appoint a chief district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, the judges of the district, and the county commissioners within the district. Each chief district public defender shall be a qualified attorney, licensed to practice law in this state. The chief district public defender shall be appointed for a term of four years, beginning January 1, pursuant to the following staggered term schedule: (1) in 1992, the second and eighth districts; (2) in 1993, the first, third, fourth, and tenth districts; (3) in 1994, the fifth and ninth districts; and (4) in 1995, the sixth and seventh districts. The chief district public defenders shall serve for four-year terms and may be removed for cause upon the order of the state board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term.~~

Sec. 54. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] (a) The compensation of the chief district public defender shall be set by the *local* board of public defense. The compensation of each assistant district public defender shall be set by the chief district public defender with the approval of the *local* board of public defense. The compensation for chief district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district. To assist the *local* board of public defense in determining prevailing compensation under this subdivision, counties shall provide to the *local* board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

(b) This subdivision does not limit the rights of public defenders to collectively bargain with their employers.

Sec. 55. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 3a, is amended to read:

Subd. 3a. ~~(a)~~ Notwithstanding subdivision 3 or any other law to the contrary, compensation and economic benefit increases for chief district public defenders and assistant district public defenders, who are full-time county employees, shall be paid out of the budget for that judicial district public defender's office.

~~(b) Those budgets for district public defender services under the jurisdiction of the state board of public defense shall be eligible for adjustments to their base budgets in the same manner as other state agencies. In making biennial budget base adjustments, the commissioner of finance shall consider the budgets for district public defender services, as allocated by the state board of public defense, in the same manner as other state agencies.~~

Sec. 56. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary ~~subject to the standards adopted by the state public defender~~. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender.

Sec. 57. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 9, is amended to read:

Subd. 9. [INSURANCE.] Notwithstanding any other law to the contrary, district public defenders and assistant district public defenders, and their employees and their dependents, may elect to enroll in the appropriate life insurance, hospital, medical and dental benefits, and optional coverages of their respective host county, ~~as designated by the state board of public defense under section 611.27, subdivision 2,~~ at the time, in the manner, and under conditions of eligibility as established by the host county for its employees. The host county must provide for payroll deductions to be made in the same

manner and under the same conditions as provided for an eligible county employee and the employee's dependents. Nothing in this subdivision obligates the state or county to payments in the absence of an appropriation for those purposes.

Sec. 58. Minnesota Statutes 1991 Supplement, section 611.26, subdivision 10, is amended to read:

Subd. 10. [SERVICES.] The chief district public defender is responsible for the administration of public defender services in the district; ~~consistent with standards adopted by the state board of public defense and the policies and procedures adopted by the state public defender.~~

Sec. 59. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 1, is amended to read:

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) ~~A district public defender shall annually submit a comprehensive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.~~

~~Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.~~

(e) ~~The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final comprehensive budget for the office of the district public defender that includes all expenses. After the board determines the allocation of the state funds authorized pursuant to paragraph (e),~~

~~The board shall apportion the expenses of the district public defenders shall be apportioned among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.~~

(d) (c) Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

(e) ~~Money appropriated to the state board of public defense for the board's administration, for the state public defender, for the judicial district public~~

defenders, and for the public defense corporations shall be expended as determined by the board. In distributing funds to district public defenders, the board shall consider the geographic distribution of public defenders, the equity of compensation among the judicial districts, public defender case loads, and the results of the weighted case load study.

Sec. 60. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 5, is amended to read:

Subd. 5. [DISTRICT PUBLIC DEFENDER BUDGETS.] The board of public defense may only fund those items and services in district public defender budgets which were included in the original budgets of district public defender offices as of January 1, 1990. All other public defense related costs remain are the responsibility of the counties unless the state specifically appropriates for these. The cost of additional state funding of these items and services must be offset by reductions in local aids in the same manner as the original state takeover."

Page 65, strike lines 20 and 21

Page 65, line 22, strike everything before the stricken "Services"

Page 69, line 6, after the period, insert "*Minnesota Statutes 1991, sections 611.215; 611.216; and 611.27, subdivisions 2, 4, and 6, are repealed effective July 1, 1993.*"

Page 69, line 10, after the period, insert "*Sections 47, 48, 50 to 60, and 62 are effective July 1, 1993.*"

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 39, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Metzen	Ranum	Traub
Benson, J.E.	Kroening	Mondale	Solon	
Dahl	Laidig	Olson	Stumpf	
Hottinger	McGowan	Pariseau	Terwilliger	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Reichgott
Benson, D.D.	DeCramer	Johnson, J.B.	Morse	Renneke
Berg	Dicklich	Knaak	Neuville	Sams
Bernhagen	Finn	Larson	Novak	Samuelson
Bertram	Flynn	Lessard	Pappas	Spear
Brataas	Frederickson, D.R.	Luther	Piper	Vickerman
Chmielewski	Halberg	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	

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

Mr. Lessard moved to amend S.F. No. 2788 as follows:

Page 47, line 2, delete "*sections 3.737 and 3.7371, are*" and insert "*section 3.7371, is*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that S.F. No. 2788 be laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 2694 be taken from the table. The motion prevailed.

H.F. No. 2694: A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.12, by adding a subdivision; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 375.055, subdivision 1; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivisions 1 and 3; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.619,

by adding a subdivision; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivisions 2 and 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256; 256B; 256D; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 136E.01; 136E.02; 136E.03; 136E.04; 136E.05; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2694 and that the rules of the Senate be so far suspended as to give H.F. No. 2694 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2694 was read the second time.

Mr. Merriam moved to amend H.F. No. 2694 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2694, and insert the language after the enacting clause, and the title, of S.F. No. 2788, as introduced, and as amended by the Committee on Taxes and Tax Laws, and as amended by the Senate, April 7, 1992.

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 68, after line 31, insert:

“Sec. 52. [ELECTED OFFICIALS: COMPENSATION; BENEFITS.]

Subdivision 1. [LEGISLATORS.] No person who has served more than ten consecutive years in the legislature may receive any compensation, expense reimbursement, living expenses, per diem, or pension service credit for the period of continuation in office beyond ten years.

Subd. 2. [CONSTITUTIONAL OFFICERS.] No person who has served more than eight consecutive years as a constitutional officer in the executive branch may receive any compensation, expense reimbursement, living expenses, per diem, or pension service credit for the period of continuation in office beyond eight years.”

Page 69, line 10, before the period, insert “, and section 52 is effective the first Monday in January, 2003”

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

Mr. Luther questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Benson, D.D. appealed the decision of the President.

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

The roll was called, and there were yeas 42 and nays 17, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Halberg	Laidig	Neuville	Terwilliger
Benson, J.E.	Johnson, D.E.	Larson	Olson	
Bernhagen	Johnston	McGowan	Pariseau	
Day	Knaak	Mehrkins	Renneke	

The decision of the President was sustained.

Ms. Olson moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 63, after line 35, insert:

"Sec. 46. Minnesota Statutes 1990, section 375.055, subdivision 1, is amended to read:

Subdivision 1. [FIXED BY COUNTY BOARD.] (a) The county commissioners in all counties, except Hennepin and Ramsey, shall receive as compensation for services rendered by them for their respective counties, annual salaries and in addition may receive per diem payments and reimbursement for necessary expenses in the duties of the office as set by resolution of the county board. The salary and schedule of per diem payments shall not be effective until January 1 of the next year. The resolution shall contain a statement of the new salary on an annual basis. The board may establish a schedule of per diem payments for service by individual county commissioners on any board, committee, or commission of county government including committees of the board, or for the performance of services by individual county commissioners when required by law. In addition to its publication in the official newspaper of the county as part of the proceedings of the meeting of the county board, the resolution setting the salary and schedule of per diem payments shall be published in one other newspaper of the county, if there is one located in a different municipality in the county than the official newspaper. The salary of a county commissioner or the schedule of per diem payments shall not change except in accordance with this subdivision.

(b) The annual salary of a county commissioner in any county, including Hennepin and Ramsey, may not exceed the salary of a legislator. Per diem payments in a year may not exceed one-third of a commissioner's salary. The provisions of this paragraph supersede any inconsistent provision of charter or other law."

Renumber the sections of article 5 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Knaak	Olson	Stumpf
Belanger	Day	Larson	Pariseau	Terwilliger
Benson, D.D.	DeCramer	Lessard	Ranum	Traub
Benson, J.E.	Flynn	Marty	Renneke	Vickerman
Berg	Frederickson, D.R.	McGowan	Sams	
Bernhagen	Halberg	Mehrkens	Samuelson	
Bertram	Johnson, D.E.	Neuville	Solon	
Cohen	Johnston	Novak	Spear	

Those who voted in the negative were:

Adkins
Chmielewski
Dicklich
Finn
Frederickson, D.J.

Hottinger
Johnson, D.J.
Johnson, J.B.
Kroening
Laidig

Langseth
Luther
Merriam
Metzen
Moe, R.D.

Mondale
Morse
Pappas
Piper
Pogemiller

Price
Reichgott
Waldorf

The motion prevailed. So the amendment was adopted.

Ms. Johnston moved to amend H.F. No. 2694, as amended by the Senate April 7, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2788.)

Page 25, after line 27, insert:

"Sec. 18. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a new article XIV, section 12, will read:

Sec. 12. The proceeds of a tax levied on the purchase price of a motor vehicle must be distributed according to the following schedule:

(1) for the fiscal biennium ending June 30, 1993: 37.5 percent to the highway user tax distribution fund, and 12.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(2) for the fiscal biennium ending June 30, 1995: 45 percent to the highway user tax distribution fund, and 15 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(3) for the fiscal biennium ending June 30, 1997: 52.5 percent to the highway user tax distribution fund, and 17.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(4) for the fiscal biennium ending June 30, 1999: 60 percent to the highway user tax distribution fund, and 20 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4;

(5) for the fiscal biennium ending June 30, 2001: 67.5 percent to the highway user tax distribution fund, and 22.5 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4; and

(6) after June 30, 2001: 75 percent to the highway user tax distribution fund, and 25 percent for use by public bodies for public transit purposes other than those described in sections 1 to 4.

Sec. 19. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1992 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to dedicate proceeds of any tax on the purchase price of a motor vehicle, over a ten-year period, 75 percent to the highway user tax distribution fund and 25 percent for transit assistance purposes?"

Yes
No"

Election procedures must be as provided by law."

Page 32, after line 6, insert:

"Sec. 37. Minnesota Statutes 1990, section 297B.09, as amended by Laws 1991, chapters 233, section 94; and 291, article 2, section 14, is amended to read:

297B.09 [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund. *Money transferred to the highway user tax distribution fund and the transit assistance fund under paragraphs (b) to (d) must be apportioned as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.*

(b) ~~Twenty-five~~ Fifty percent of the money collected and received under this chapter after June 30, 1990 1992, and before July 1, 1991 1993, must be transferred to the highway user tax distribution fund and the transit assistance fund ~~for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.~~

(c) ~~The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. Sixty percent of the money collected and received under this chapter after June 30, 1993, and before July 1, 1995, must be transferred to the highway user tax distribution fund and the transit assistance fund.~~

(d) *Seventy percent of the money collected and received under this chapter after June 30, 1995, and before July 1, 1997, must be transferred to the highway user tax distribution fund and the transit assistance fund.*

(e) The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period

exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

Mr. Moe, R.D. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

RECONSIDERATION

Having voted on the prevailing side, Mr. Novak moved that the vote whereby the Olson amendment to H.F. No. 2694 was adopted on April 7, 1992, be now reconsidered. The motion prevailed.

The question recurred on the adoption of the Olson amendment.

The roll was called, and there were yeas 16 and nays 42, as follows:

Those who voted in the affirmative were:

Belanger	Day	Johnston	McGowan	Olson
Benson, D.D.	Frederickson, D.R.	Knaak	Mehrkens	Pariseau
Benson, J.E.	Johnson, D.E.	Larson	Neuville	Renneke
Bernhagen				

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Novak	Solon
Beckman	Dicklich	Langseth	Pappas	Spear
Berg	Finn	Lessard	Piper	Stumpf
Bertram	Frederickson, D.J.	Luther	Pogemiller	Terwilliger
Brataas	Halberg	Merriam	Price	Vickerman
Chmielewski	Hottinger	Metzen	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Riveness	
Dahl	Johnson, J.B.	Mondale	Sams	
Davis	Kroening	Morse	Samuelson	

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

H.F. No. 2694 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Merriam	Ranum
Beckman	Dicklich	Johnson, J.B.	Metzen	Reichgott
Berg	Finn	Kroening	Moe, R.D.	Sams
Berglin	Flynn	Langseth	Morse	Samuelson
Bertram	Frederickson, D.J.	Larson	Novak	Solon
Chmielewski	Frederickson, D.R.	Lessard	Pappas	Spear
Cohen	Halberg	Luther	Piper	Stumpf
Dahl	Hottinger	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrkens	Price	Waldorf

Those who voted in the negative were:

Belanger	Brataas	Laidig	Olson	Terwilliger
Benson, D.D.	Day	McGowan	Pariseau	Traub
Benson, J.E.	Johnston	Mondale	Renneke	
Bernhagen	Knaak	Neuville	Riveness	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

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

S.F. No. 1687: A bill for an act relating to crime; increasing penalties for repeat and violent sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the "good time" reduction in a prison sentence; allowing the extension of prison terms for disciplinary violations in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; providing for mediation programs for crime victims and offenders; requiring training of peace officers regarding crimes of violence; providing for automatic prosecution in adult court of previously certified juveniles; requiring city and county attorneys to adopt a domestic abuse prosecution plan; defining child abuse; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; allowing telephone companies to offer caller identification service to subscribers; requiring a crime victimization survey; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 135A.15; 241.67, subdivisions 3 and 6; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 253B.18, subdivision 2; 259.11; 260.015, by adding a subdivision; 260.151, subdivision 1; 260.161, subdivision 1, and by adding a subdivision; 260.165, by adding a subdivision; 260.172, subdivision 1; 260.185, subdivisions 1, 4, and by adding a subdivision; 518B.01, subdivision 13, and by adding subdivisions; 526.10; 595.02, subdivision 4; 609.055; 609.135, subdivision 5; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.21, subdivisions 1, 2, 2a, 3, and 4; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.605, by adding a subdivision; 609.713; 611A.0311, subdivisions 2 and 3; 611A.034;

611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.713, subdivision 1, and by adding a subdivision; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 1, 3, and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 626A.02, subdivision 2; 630.36, subdivision 1; Minnesota Statutes 1991 Supplement, sections 8.15; 244.05, subdivision 6; 244.12, subdivision 3; 260.015, subdivision 2a; 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; 611A.32, subdivision 1; 624.712, subdivision 5; and 626.861, subdivisions 1 and 4; proposing coding for law in Minnesota Statutes, chapters 169; 237; 244; 299C; 480; 526; 611A; 624; 626; and 629; repealing Minnesota Statutes 1990, section 260.125, subdivision 3a.

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

Page 5, line 24, delete "*treatment*"

Pages 6 to 8, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order

payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342~~;~~; 609.343~~;~~; 609.344~~;~~ ~~or~~; 609.345~~;~~; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:*

- (1) medical data under section 13.42;*
- (2) corrections and detention data under section 13.85;*
- (3) health records under section 144.335;*
- (4) juvenile court records under section 260.161; and*
- (5) local welfare agency records under section 626.556.*

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

If the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case."

Page 11, after line 34, insert:

"Sec. 16. [609.3452] [SEX OFFENDER ASSESSMENT.]

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

Subd. 2. [ACCESS TO DATA.] Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:

- (1) medical data under section 13.42;*
- (2) corrections and detention data under section 13.85;*
- (3) health records under section 144.335;*
- (4) juvenile court records under section 260.161; and*
- (5) local welfare agency records under section 626.556.*

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Subd. 3. [TREATMENT ORDER.] If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment, unless the court sentences the offender to prison."

Page 14, line 17, delete "19" and insert "20"

Page 14, line 21, delete "18" and insert "19"

Page 14, delete section 21

Page 15, after line 24, insert:

"Sec. 23. [INTERIM SLIDING FEE SCALE.]

By July 1, 1992, the commissioner of corrections shall adopt without regard to chapter 14, and provide to each judicial district court administrator, an interim sliding fee scale to determine the amount of money to be contributed by sex offenders toward the cost of the assessments required by section 16. The interim sliding fee scale is effective until the commissioner adopts a permanent sliding fee scale under article 10, section 4, subdivision 3."

Page 15, line 27, delete "16, 17, 18, 19, and 20" and insert "and 17 to 21"

Page 15, line 33, delete "16, 17, 18, and 19" and insert "17 to 21"

Renumber the sections of article 1 in sequence

Page 21, line 9, delete "of a sex offense"

Page 21, line 10, delete "sex" and delete ", as defined in" and insert "under"

Page 21, line 11, after the comma, insert "*and determined by the commissioner to be in a high risk category.*"

Page 24, line 17, delete "*chief judge of the panel*" and insert "*supreme court*"

Page 25, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] (a) Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(b) The court shall collect the portion of the fine mandated by this subdivision and forward it to the commissioner of finance to be credited to the general fund. Any fine amount imposed in excess of the minimum fine shall be collected and distributed as otherwise provided by law."

Page 31, line 13, delete "5" and insert "6"

Page 32, line 20, delete "13" and insert "14"

Renumber the sections of article 4 in sequence

Page 32, line 35, after the period, insert "*The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution.*"

Pages 39 and 40, delete section 9

Renumber the sections of article 5 in sequence

Page 48, after line 19, insert:

"Sec. 11. Minnesota Statutes 1990, section 609.746, subdivision 2, is amended to read:

Subd. 2. [INTRUSION ON PRIVACY.] A person who, with the intent to harass, abuse, or threaten another, repeatedly follows or pursues another, after being told not to do so by the person being followed or pursued, is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who:

(1) violates this subdivision within two years after a previous conviction

under this subdivision or section 609.224; or

(2) violates this subdivision against the same victim within five years after a previous conviction under this subdivision or section 609.224."

Page 50, line 9, delete "their" and insert "a"

Page 50, line 28, after "assignment" insert "district"

Page 51, line 21, delete ", 8, and 9" and insert "and 8 to 11"

Renumber the sections of article 6 in sequence

Page 56, line 10, delete the third "the"

Page 56, line 11, after "school" insert "officials"

Page 56, line 12, delete the first "the" and after "school" insert "officials"

Page 59, after line 2, insert:

"Sec. 12. [ADVISORY TASK FORCE ON THE JUVENILE JUSTICE SYSTEM.]

Subdivision 1. [MEMBERSHIP.] The supreme court shall conduct a study of the juvenile justice system. To conduct the study, the court shall convene an advisory task force on the juvenile justice system, consisting of the following 18 members:

(1) four judges appointed by the chief justice of the supreme court;

(2) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration;

(3) two professors of law appointed by the chief justice of the supreme court;

(4) the state public defender;

(5) one county attorney who is responsible for juvenile court matters, appointed by the chief justice of the supreme court on recommendation of the Minnesota county attorneys association;

(6) two corrections administrators appointed by the governor, one from a community corrections act county and one from a noncommunity corrections act county;

(7) the commissioner of human services;

(8) the commissioner of corrections; and

(9) two law enforcement officers who are responsible for juvenile delinquency matters, appointed by the governor.

Subd. 2. [SELECTION OF CHAIR.] The task force shall select a chair from among its membership other than the members appointed under subdivision 1, clause (2).

Subd. 3. [STAFF.] The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.

Subd. 4. [DUTIES.] The task force shall conduct a study of the juvenile

justice system and make recommendations concerning the following:

- (1) the juvenile certification process;*
- (2) the retention of juvenile delinquency adjudication records and their use in subsequent adult proceedings;*
- (3) the feasibility of a system of statewide juvenile guidelines;*
- (4) the effectiveness of various juvenile justice system approaches, including behavior modification and treatment; and*
- (5) the extension to juveniles of a nonwaivable right to counsel and a right to a jury trial.*

Subd. 5. [REPORT.] The task force shall submit a written report to the governor and the legislature by December 1, 1993, containing its findings and recommendations. The task force expires upon submission of its report."

Page 59, line 7, delete "7, 9, and 11" and insert "3 to 11 and 13"

Page 59, line 8, after the period, insert "Section 12 is effective the day following final enactment."

Renumber the sections of article 7 in sequence

Page 64, delete lines 18 to 29 and insert:

"Subd. 1a. [TRAINING COURSE; CRIMES OF VIOLENCE.] In consultation with the crime victim and witness advisory council and the school of law enforcement, the board shall prepare a training course to assist peace officers in responding to crimes of violence and to enhance peace officer sensitivity in interacting with and assisting crime victims. The course must include information about:

- (1) the needs of victims of these crimes and the most effective and sensitive way to meet those needs or arrange for them to be met;*
- (2) the extent and causes of crimes of violence, including physical and sexual abuse, physical violence, and neglect;*
- (3) the identification of crimes of violence and patterns of violent behavior; and*
- (4) culturally responsive approaches to dealing with victims and perpetrators of violence."*

Page 64, line 33, delete "may" and insert "is" and delete "be"

Page 65, delete section 6

Pages 66 and 67, delete sections 9 and 10

Renumber the sections of article 8 in sequence

Page 73, line 17, delete "10" and insert "11"

Page 73, line 22, after the comma, insert "pistol transferee permit,"

Pages 77 and 78, delete article 10 and insert:

"ARTICLE 10

SEX OFFENDER TREATMENT

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. ~~Eligible~~ *Offenders who are eligible to receive treatment, within the limits of available funding, are:*

- (1) adults and juveniles committed to the custody of the commissioner;
- (2) adult offenders for whom treatment is required by the court as a condition of probation; ~~and~~
- (3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; ~~and~~
- (4) *adults and juveniles who are eligible for community-based treatment under the sex offender treatment fund established in section 4.*

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] ~~By July 1, 1991,~~
(a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. ~~After July 1, 1991,~~ A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) *By July 1, 1993, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.*

(c) *In addition to other certification requirements established under paragraphs (a) and (b), rules adopted by the commissioner must require all certified programs to participate in an ongoing outcome-based evaluation and quality management system established by the commissioner.*

Sec. 3. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 7. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) *Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.*

(b) *Every county or private sex offender program that seeks new or continued state funding or reimbursement shall provide the commissioner with any information relating to the program's effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide this information or that appears to be an ineffective program.*

Sec. 4. [241.671] [SEX OFFENDER TREATMENT FUND.]

Subdivision 1. [TREATMENT FUND ADMINISTRATION.] *A sex offender treatment fund is established to pay for community-based sex offender treatment for adults and juveniles. The commissioner of corrections and the commissioner of human services shall establish an interagency staff*

work group to coordinate agency activities relating to sex offender treatment. The commissioner of human services is responsible for administering the sex offender treatment fund, including establishing requirements for submitting claims for payment, paying vendors, and enforcing the county maintenance of effort requirement in subdivision 7. The commissioner of corrections is responsible for overseeing and coordinating a statewide sex offender treatment system under section 241.67, subdivision 1; certifying sex offender treatment providers under section 241.67, subdivision 2, paragraph (b); establishing eligibility criteria and an assessment process under subdivision 3; determining county allocations of treatment fund money under subdivision 4; and approving special project grants under subdivision 5. The county is responsible for developing and coordinating sex offender treatment services under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 8, approving persons for treatment within the limits of the county's allocation of treatment fund money under subdivision 4, and selecting an eligible vendor to provide the appropriate level of treatment to each person who is eligible to receive treatment and for whom funding is available. The assessment of eligibility and treatment needs under subdivision 3 must be conducted by the agency responsible for probation services. If this agency is not a county agency, the county shall enter into an agreement with the agency that prescribes the process for county approval of treatment and treatment vendors within the limits of the county's allocation of treatment fund money. The commissioner of corrections shall adopt rules under chapter 14 governing the sex offender treatment fund. At the request of the commissioner of corrections, the commissioner of human services shall provide technical assistance relating to the duties required under this section. The commissioner of corrections and the commissioner of human services shall coordinate activities relating to the sex offender treatment fund with activities relating to the consolidated chemical dependency treatment fund.

Subd. 2. [PERSONS ELIGIBLE TO RECEIVE TREATMENT.] Within the limits of available funding, the sex offender treatment fund pays for sex offender treatment for sex offenders who have been ordered by the court to receive treatment and high-risk persons who seek treatment voluntarily. For purposes of this section, a sex offender is an adult who has been convicted of, or a juvenile who has been adjudicated to be delinquent based on a violation of, section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23. The treatment fund pays for treatment only to the extent that the costs of treatment cannot be met by the person's income or assets, health coverage, or other resources. Payment may be made on behalf of eligible persons only if:

(1) the person has been assessed and determined to be in need of community-based treatment under subdivision 3;

(2) the county has approved treatment and designated a treatment vendor within the limits of the county's allocation of money under subdivision 4;

(3) the person received the appropriate level of treatment as determined through the assessment process;

(4) the person received services from a vendor certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b); and

(5) the vendor submitted a claim for payment in accordance with requirements established by the commissioner of human services.

Subd. 3. [ASSESSMENT.] (a) The commissioner of corrections shall establish a process and criteria for assessing the eligibility and treatment needs of persons on whose behalf payment from the sex offender treatment fund is sought. The assessment determines: (1) whether the individual is eligible under subdivision 2; (2) the person's ability to contribute to the cost of treatment; (3) whether a need for treatment exists; (4) if treatment is needed, the appropriate level of treatment; and (5) if the person is seeking treatment voluntarily, whether the person represents a high risk of becoming a sex offender in the absence of intervention and treatment.

(b) The commissioner shall develop a sliding fee scale to determine the amount of the contribution required from persons who have income or other financial resources. The fee scale must require persons whose income and assets are above the limits for the medical assistance program to contribute to the cost of the assessment and treatment and require persons whose income is above the state median income to pay the entire cost of assessment and treatment.

Subd. 4. [COUNTY ALLOCATIONS.] (a) For the first year of the sex offender treatment fund, the money appropriated for the treatment fund must be allocated among the counties according to the following formula:

(1) two-thirds based on the number of sex offender convictions or adjudications in the county in the previous year; and

(2) one-third based on county population.

(b) Any balance remaining in the fund at the end of the first year of the fund does not cancel and is available for the next year. Any balance remaining in subsequent years does not carry forward unless specifically authorized by the legislature.

(c) For the second year of the fund, an amount equal to the balance carried forward from the first year, plus any legislative appropriation for special project grants, must be reserved for special projects under subdivision 5. This becomes the base funding level for special project grants. The appropriation for the treatment fund must be allocated to counties in proportion to the amount actually paid out of each county's treatment fund allocation in the previous year.

(d) For the third and subsequent years of the fund, the appropriation for the sex offender treatment fund must be allocated to counties in proportion to the previous year's allocations. Any increase or decrease in funding for the sex offender treatment fund must be allocated proportionately among counties.

(e) For the second and subsequent years of the treatment fund, a reduction in the special projects base funding and a corresponding increase in a county's sex offender treatment fund allocation may be made under subdivision 5.

(f) Money appropriated specifically for sex offender assessments must be allocated to counties based on the number of sex offender convictions and delinquency adjudications in the county in the previous year. The money must be used to pay for assessments conducted under subdivision 3.

Subd. 5. [SPECIAL PROJECT GRANTS.] The commissioner of corrections shall approve grants to counties for special projects using the money reserved for special projects under subdivision 4, paragraph (c), and any appropriations specifically designated for sex offender treatment special

projects. Special project grants may be used to develop new sex offender treatment services or providers, develop or test new treatment methods, educate courts and corrections personnel on treatment programs and methods, address special treatment needs in a particular county, or provide additional funding to counties that demonstrate that their treatment needs cannot be met within their formula allocation under subdivision 4. For the first three years of the fund, highest priority for special project grants must be given to counties that spent less than their allocation under the formula in subdivision 4, paragraph (a), during the previous year; demonstrate a significant need to increase their spending for sex offender treatment; and submit a detailed plan for improving their sex offender treatment system. For these high priority counties, upon successful completion of a special project the commissioner shall increase that county's base allocation under subdivision 4 for subsequent years by the amount of the special project grant or another amount determined by the commissioner and agreed to by the county as a condition of receiving a special project grant. The base funding level for special projects for the subsequent year must be reduced by the amount of the increase in the county's base allocation. After the third year of the treatment fund, the commissioner may allocate up to 40 percent of the special project grant money to increase the base allocation of treatment fund money for those counties that demonstrate the greatest need to increase funding for sex offender treatment. The base funding level for special projects must be reduced by the amount of the increase in counties' base allocations.

Subd. 6. [COUNTY ADMINISTRATION.] A county may use up to five percent of the money allocated to it under subdivision 4 for administrative costs associated with the sex offender treatment fund, including the costs of assessment and referral of persons for treatment, state administrative and reporting requirements, service development, and other activities directly related to sex offender treatment. Two or more counties may undertake any of the activities required under this section as a joint action under section 471.59. Nothing in this section requires a county to spend local money or commit local resources in addition to state money provided under this section, except as provided in subdivision 7.

Subd. 7. [MAINTENANCE OF EFFORT.] As a condition of receiving an allocation of money from the sex offender treatment fund under this section, a county must agree not to reduce the level of funding provided for sex offender treatment below the average annual funding level for calendar years 1989, 1990, and 1991.

Subd. 8. [ELIGIBILITY OF VENDORS.] To be eligible to receive payment from the sex offender treatment fund, a vendor must be certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b), and must comply with billing and reporting requirements established by the commissioner of human services. A county may become certified and approved as a vendor by satisfying the same requirements that apply to other vendors.

Subd. 9. [START-UP GRANTS.] Within the limits of appropriations made specifically for this purpose, the commissioner of corrections shall award grants to counties or providers for the initial start-up costs of establishing new certified, community-based sex offender treatment programs eligible for reimbursement under the sex offender treatment fund. In awarding the grants, the commissioner shall promote a statewide system of sex offender treatment programs that will provide reasonable geographic access to treatment throughout the state.

Subd. 10. [COORDINATION OF FUNDING FOR SEX OFFENDER TREATMENT.] The commissioners of corrections and human services shall identify all sources of funding for sex offender treatment in the state and develop methods of coordinating funding sources.

Sec. 5. Minnesota Statutes 1990, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [~~TREATMENT~~ *SEX OFFENDER PROGRAMS.*] The commissioner of corrections shall provide for a range of sex offender ~~treat-~~*ment* programs, including intensive sex offender ~~treatment~~ programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender ~~treatment~~ programs. *The commissioner shall establish and operate a juvenile sex offender program at one of the state juvenile correctional facilities.*

Sec. 6. [*SEX OFFENDER TREATMENT; PILOT PROGRAM.*]

The commissioner of corrections, in consultation with the commissioner of human services, shall administer a grant to create a pilot program to test the effectiveness of pharmacological agents, such as antiandrogens, in the treatment of sex offenders including psychopathic personalities.

Participation in the study must be by volunteers who meet defined criteria. The commissioner of corrections shall report to the legislature by February 1, 1993, regarding the preliminary results of the study.

Sec. 7. [*REPORT ON SEX OFFENDER TREATMENT FUNDING.*]

By January 1, 1993, the commissioners of corrections and human services shall submit a report to the legislature on funding for sex offender treatment, including:

(1) a summary of the sources and amounts of public and private funding for sex offender treatment;

(2) a progress report on implementation of sections 4 to 7;

(3) methods currently being used to coordinate funding;

(4) recommendations on whether other sources of funding should be consolidated into the sex offender treatment fund;

(5) recommendations regarding medical assistance program changes or waivers that will improve the cost-effective use of medical assistance funds for sex offender treatment;

(6) recommendations on whether start-up grants are needed to promote the development of needed sex offender treatment vendors, and if so, the amount of money needed for various regions, types of vendor, and class of sex offender;

(7) an estimate of the amount of money needed to fully fund the sex offender treatment fund and information regarding the cost of an array of possible options for partial funding, including funding options that prioritize treatment needs based on the age of the offender, the level of offense, or other factors identified by the commissioner; and

(8) recommendations for other changes that will improve the effectiveness and efficiency of the sex offender treatment funding system.

Sec. 8. [*EVALUATION OF SEX OFFENDER PROGRAMS.*]

The legislative auditor shall prepare a design plan to implement a comprehensive, permanent system of ongoing, outcome-based evaluation and quality management for publicly funded adult and juvenile sex offender programs, operated both within and outside correctional facilities. The plan must provide for evaluation that is independent of the agency administering or operating the treatment program. The auditor shall present the design plan and make recommendations to the chairs of the judiciary committees in the senate and house of representatives by February 15, 1993. The plan must be designed to integrate an effective ongoing, outcome-based evaluation component into sex offender programs that will gather data and reach conclusions concerning:

(1) the effectiveness of sex offender programs in reducing recidivism and protecting public safety;

(2) the relative effectiveness of different treatment approaches;

(3) a meaningful, statistically valid comparison of offenders who receive programming with those who do not;

(4) the effectiveness of existing methods of selecting a program for a particular offender; and

(5) any other issues the legislative auditor determines should be included in this type of a program evaluation.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 11

CORRECTIONS

Section 1. Minnesota Statutes 1990, section 241.021, is amended by adding a subdivision to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults and juveniles committed to the commissioner's custody shall comply with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.6500, for treatment programs operated by community-based residential treatment facilities.

Sec. 2. [241.675] [CHEMICAL DEPENDENCY PROGRAM.]

A chemical dependency treatment program is established under the administration of the commissioner of corrections to provide a range of culturally appropriate chemical dependency treatment programs for adults and juveniles committed to the custody of the commissioner. On and after July 1, 1994, every adult and juvenile correctional facility must have a licensed chemical dependency treatment program.

All chemical dependency programs operated by the commissioner of corrections shall report on the drug and alcohol abuse normative evaluation system operated by the department of human services and shall participate in the department of human services treatment accountability plan.

Sec. 3. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS; MULTIPLE OCCUPANCY STANDARDS.]

Subdivision 1. [SEPARATE CELLS.] When there are cells sufficient,

each convict shall be confined in a separate cell. *Each inmate shall be confined in a separate cell in close, maximum, and high security facilities, including St. Cloud, Stillwater, and Oak Park Heights, but not including geriatric or honor dormitory-type facilities.*

Subd. 2. [MULTIPLE OCCUPANCY STANDARDS.] A medium security correctional facility that is built or remodeled after July 1, 1992, for the purpose of increasing inmate capacity must be designed and built to comply with multiple-occupancy standards for not more than one-half of the facility's capacity and must include a maximum capacity figure. A minimum security correctional facility that is built or remodeled after July 1, 1992, must be designed and built to comply with minimum security multiple-occupancy standards.

Sec. 4. [244.051] [EARLY REPORTS OF MISSING OFFENDERS.]

All programs serving inmates on supervised release following a prison sentence shall notify the appropriate probation officer, appropriate law enforcement agency, and the department of corrections within two hours after an inmate in the program fails to make a required report or after program officials receive information indicating that an inmate may have left the area in which the inmate is required to remain or may have otherwise violated conditions of the inmate's supervised release. The department of corrections and county corrections agencies shall ensure that probation offices are staffed on a 24-hour basis or make available a 24-hour telephone number to receive the reports.

Sec. 5. [COUNTY JUVENILE FACILITY NEEDS ASSESSMENT.]

The county correctional administrators of each judicial district shall jointly evaluate and provide a report on behalf of the entire judicial district to the chairs of the judiciary committees in the senate and house of representatives by November 1, 1992, concerning the needs of the counties in that judicial district for secure juvenile detention facilities, including the need for preadjudication facilities and, in conjunction with the commissioner of corrections, the need for post-adjudication facilities.

Sec. 6. [PROBATION STANDARDS TASK FORCE.]

The commissioner of corrections shall establish a probation standards task force of up to 12 members. Members of the task force must represent the department of corrections, probation officers, law enforcement, public defenders, county attorneys, county officials from community corrections act counties and other counties, and the sentencing guidelines commission. The task force shall choose co-chairs from among the county officials sitting on the task force. One co-chair must be a probation officer or county official from a community corrections act county, and the other co-chair must be a member of the Minnesota association of county probation officers. The commissioner shall report to the legislature by January 15, 1993, concerning the following:

(1) the number of offenders being supervised by individual probation officers across the state, including a statewide average, metropolitan and nonmetropolitan, a statewide metropolitan and nonmetropolitan range, and other relevant information about current caseloads;

(2) minimum caseload goals and an appropriate mix for types of offenders;

(3) the adequacy of current staffing levels to provide effective supervision of violent offenders on probation and supervised release;

(4) the need for increasing the number of probation officers and the cost of doing so; and

(5) any other relevant recommendations.

ARTICLE 12

CRIME PREVENTION PROGRAMS

Section 1. [145A.15] [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish, within the division of community health services, a grant program designed to prevent child abuse and neglect by providing early intervention services for families at risk of child abuse and neglect. The grant program will include:

(1) expansion of current public health nurse and family aide home visiting programs;

(2) distribution of educational and public information programs and materials in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(3) training of home visitors.

Subd. 2. [GRANT RECIPIENTS.] The commissioner is authorized to award grants to programs that meet the requirements of subdivision 3 and that are targeted to at-risk families. Families considered to be at risk for child abuse and neglect include, but are not limited to, families with:

(1) adolescent parents;

(2) a history of alcohol and other drug abuse;

(3) a history of child abuse, domestic abuse, or other dysfunction in the family of origin;

(4) a history of domestic abuse, rape, or other forms of victimization;

(5) reduced cognitive functioning;

(6) a lack of knowledge of child growth and development stages; or

(7) difficulty dealing with stress, including stress caused by discrimination, mental illness, a high incidence of crime or poverty in the neighborhood, unemployment, divorce, and lack of basic needs, often found in conjunction with a pattern of family isolation.

Subd. 3. [PROGRAM REQUIREMENTS.] The commissioner shall award grants, using a request for proposal system, to programs designed to:

(1) develop a risk assessment tool and offer direct home visiting services to at-risk families including, but not limited to, education on: parenting skills, child development and stages of growth, communication skills, stress management, problem-solving skills, positive child discipline practices, methods to improve parent-child interactions and enhance self-esteem, community support services and other resources; and how to enjoy and have fun with your children;

(2) establish clear objectives and protocols for the home visits;

(3) determine the frequency and duration of home visits based on a risk-need assessment of the client; except that home visits shall begin in the

second trimester of pregnancy and continue based on the need of the client until the child reaches age six; and

(4) develop and distribute educational resource materials and offer presentations on the prevention of child abuse and neglect for use in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics.

Programs must provide at least 40 hours of training for public health nurses, family aides, and other home visitors. Training must include information on the following:

(1) the dynamics of child abuse and neglect, domestic violence, and victimization within family systems;

(2) signs of abuse or other indications that a child may be at risk of abuse or neglect;

(3) what is child abuse and neglect;

(4) how to properly report cases of child abuse and neglect;

(5) respect for cultural preferences in child rearing;

(6) community resources, social service agencies, and family support activities or programs;

(7) child development and growth;

(8) parenting skills;

(9) positive child discipline practices;

(10) identification of stress factors and stress reduction techniques;

(11) home visiting techniques; and

(12) risk assessment measures.

Program services must be community-based, accessible, and culturally relevant and must be designed to foster collaboration among existing agencies and community-based organizations.

Subd. 4. [EVALUATION.] Each program that receives a grant under this section must include a plan for program evaluation designed to measure the effectiveness of the program in preventing child abuse and neglect. On January 1, 1994, and annually thereafter, the commissioner of health shall submit a report to the legislature on all activities initiated in the prior biennium under this section. The report shall include information on the outcomes reported by all programs that received grant funds under this section in that biennium.

Sec. 2. Minnesota Statutes 1990, section 254A.14, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR TREATMENT OF HIGH-RISK YOUTH.] The commissioner of human services shall award grants on a pilot project basis to develop culturally specific chemical dependency treatment programs for minority and other high-risk youth, including those enrolled in area learning centers, those presently in residential chemical dependency treatment, and youth currently under commitment to the commissioner of corrections or detained under chapter 260. Proposals submitted under this section shall include an outline of the treatment program components, a description of the target population to be served, and a protocol for evaluating the program

outcomes.

Sec. 3. Minnesota Statutes 1990, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] (a) The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

(b) *The commissioner of human services shall develop models for the treatment of children ages 6 to 12 who are in need of chemical dependency treatment. The commissioner shall fund at least two pilot projects with qualified providers, to provide nonresidential treatment for children in this age group. Model programs must include a component to monitor and evaluate treatment outcomes.*

Sec. 4. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM FOR PREGNANT WOMEN AND WOMEN WITH CHILDREN.] *Within the limits of funds available, the commissioner of human services shall fund programs providing specialized chemical dependency treatment for pregnant women and women with children. The programs shall provide prenatal care, child care, housing assistance, and other services needed to ensure successful treatment.*

Sec. 5. [256.486] [ASIAN JUVENILE CRIME PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] *The commissioner of human services shall establish a grant program for coordinated, family-based crime prevention services for Asian youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.*

Subd. 2. [GRANT RECIPIENTS.] *The commissioner shall award grants to agencies based in the Asian community that have experience providing coordinated, family-based community services to Asian youth and families.*

Subd. 3. [PROJECT DESIGN.] *Projects eligible for grants under this section must provide coordinated crime prevention and educational services that include:*

(1) *education for Asian parents, including parenting methods in the United States and information about the United States legal and educational systems;*

(2) *crime prevention programs for Asian youth, including employment and career-related programs and guidance and counseling services;*

(3) *family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for Asian children and parents;*

(4) coordination with public and private agencies to improve communication between the Asian community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.

Subd. 5. [ANNUAL REPORT.] Grant recipients must report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among Asian youth.

Sec. 6. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental organizations, to use existing local facilities as pilot children's safety centers. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating children's safety centers to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area and at least one of the projects shall be located outside the seven-county metropolitan area, and the commissioner shall award the grants to provide the greatest possible number of safety centers and to locate them to provide for the broadest possible geographic distribution of the centers throughout the state.

Each children's safety center must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers must be available for use by district courts who may order visitation to occur at a safety center. The centers may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a local match, which may include in-kind contributions.

Subd. 2. [PRIORITIES.] In awarding grants under the program, the commissioner shall give priority to:

(1) areas of the state where no children's safety center or similar facility exists;

(2) applicants who demonstrate that private funding for the center is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the pilot children's safety centers and report to the legislature by February

1, 1994, with recommendations.

Sec. 7. [260.152] [MENTAL HEALTH AND CHEMICAL DEPENDENCY SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in consultation with the commissioner of corrections, shall establish pilot projects in counties to reduce the recidivism rates of juvenile offenders by identifying and treating underlying mental health problems, or mental health and accompanying chemical dependency problems, that contribute to delinquent behavior and can be addressed through nonresidential services. At least one of the pilot projects must be in the seven-county metropolitan area and at least one must be in greater Minnesota.

Subd. 2. [PROGRAM COMPONENTS.] The commissioner of human services shall, in consultation with the commissioner of corrections, the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to the counties for the pilot projects. The projects shall build upon the existing service capabilities in the community and must include:

(1) screening for mental health problems of juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and juveniles alleged to be delinquent as that term is defined in section 260.015, subdivision 5, who are admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

(2) screening for combined mental health and chemical dependency problems for juveniles specified in clause (1), unless they are already subject to mandatory chemical use assessments under this chapter;

(3) referral for mental health and chemical dependency assessment of all juveniles for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health or chemical dependency professional. If the juvenile is of a minority race or minority ethnic heritage, the mental health or chemical dependency professional must be skilled in culturally appropriate chemical dependency and mental health treatment issues and knowledgeable about matters related to the juvenile's racial and ethnic heritage, or must consult with a special mental health or chemical dependency consultant who has these skills and knowledge so that the assessment is relevant, culturally appropriate, and sensitive to the juvenile's cultural needs;

(4) upon completion of the assessment, access to or provision of nonresidential mental health or chemical dependency services identified as needed in the assessment; and

(5) coordination of the services under this section with chemical use assessments required under other provisions of chapter 260.

Subd. 3. [SCREENING TOOL.] The commissioner of human services, in consultation with the commissioner of corrections, shall develop a model screening tool to screen youth held in juvenile detention to determine if a mental health or chemical dependency assessment is needed. The tool must contain specific questions to identify potential mental health or chemical dependency problems. In implementing a pilot project, counties must either use this model tool or use another tool approved by the commissioner of human services that meets the requirements of this section.

Subd. 4. [PROGRAM REQUIREMENTS.] To receive funds, the county program proposal shall be a joint proposal with all affected local agencies, resulting in part from consultation with the local coordinating council established under section 245.4873, subdivision 3, and the local mental health advisory council established under section 245.4875, subdivision 5, and shall contain the following:

(1) evidence of interagency collaboration by all publicly funded agencies serving children with emotional disturbances or chemical dependency, including evidence of consultation with the agencies listed in this section;

(2) a signed agreement by the local court services and local mental health and county social service agencies to work together on the following: development of program; development of written interagency agreements and protocols to ensure that the mental health and chemical dependency needs of juvenile offenders are identified, addressed, and treated; and development of a procedure for joint evaluation of the program;

(3) a description of existing services that will be used in this program; and

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of children to be served.

The commissioner of human services, in consultation with the commissioner of corrections, shall determine the application form, information needed, deadline for application, criteria for awards, and a process for providing technical assistance and training to counties. The technical assistance shall include information about programs that have been successful in reducing recidivism by juvenile offenders.

Subd. 5. [INTERAGENCY AGREEMENTS.] To receive funds, the county must agree to develop written interagency agreements among local court services agencies, local county mental health agencies, and the agency with responsibility for assessing chemical dependency treatment needs within six months of receiving the initial program funds. These agreements shall include a description of each local agency's responsibilities, with a detailed assignment of the tasks necessary to implement the program. The agreement shall state how they will comply with the confidentiality requirements of the participating local agencies.

Subd. 6. [EVALUATION.] The commissioner of human services shall, in consultation with the commissioner of corrections, the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The commissioners must develop an interagency management information system to track juveniles who receive mental health and chemical dependency services under this section. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health and chemical dependency treatment of juveniles released from custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

Subd. 7. [RESTRICTION.] Funds received by counties under this section cannot be used to supplant other chemical dependency or mental health

funding for which the juvenile is eligible.

Subd. 8. [REPORT.] By January 1, 1994, and annually after that, the commissioner of human services, in consultation with the commissioner of corrections, shall report to the legislature on the pilot projects funded under this section. The report shall include information on the following:

- (1) the number of juvenile offenders screened and assessed;*
- (2) the number of juveniles referred for mental health or chemical dependency services, types of services provided, and costs;*
- (3) the number of juveniles subsequently adjudicated delinquent who received mental health or chemical dependency services under this program; and*
- (4) the estimated cost savings of the program and the impact on juvenile recidivism.*

Sec. 8. Minnesota Statutes 1991 Supplement, section 268.914, is amended by adding a subdivision to read:

Subd. 3. [CRIME PREVENTION APPROPRIATIONS.] A state appropriation for head start specifically designated as a juvenile crime prevention appropriation under this subdivision must be allocated to all existing federal and state head start grantees in proportion to the rate of juvenile delinquency adjudications in each grantee's service area during the previous year.

Sec. 9. Minnesota Statutes 1991 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse prevention resource council consisting of ~~47~~ 19 members is established. The commissioners of public safety, education, health, *corrections*, and human services, *the director of the office of strategic and long-range planning*, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 10. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2a, is amended to read:

Subd. 2a. [GRANT PROGRAMS.] The council shall, *in coordination with the assistant commissioner of the office of drug policy*, review and approve state agency plans regarding the use of federal funds for programs to reduce chemical abuse or reduce the supply of controlled substances. The appropriate state agencies would have responsibility for management of state and federal drug grant programs.

Sec. 11. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 12. [EMPLOYMENT AND EDUCATION PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A pilot program is established to provide adolescents with opportunities to gain a high school diploma, explore occupations, evaluate vocational options, receive career and life skills counseling, develop and pursue personal goals, and participate in community-based projects. Two pilot projects shall be funded under the program and shall be targeted at young people, as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 18 who, because of a lack of personal resources and skills, need assistance to set and realize education and employment goals and to become contributing members of their community.

Subd. 2. [ELIGIBILITY.] (a) An applicant for a pilot project grant must be (1) a school district, (2) an education district, (3) a group of districts cooperating for a particular purpose, or (4) an eligible program under contract with a school district to provide educational services in the high school graduation incentives program under Minnesota Statutes, section 126.22. To meet the requirement in paragraph (b), clause (1), an applicant may apply jointly with a provider of an employment and training program administered through the department of jobs and training.

(b) To be eligible for a pilot project grant, an applicant must:

(1) have operated or must be applying jointly with an entity that has operated a youth employment program serving targeted young people, administered through the department of jobs and training, for at least two years before applying for the grant;

(2) have operated a specialized or nontraditional education program designed to meet the needs of targeted young people, for at least two years before applying for the grant;

(3) develop a plan to identify and assess the knowledge, skills, and aptitudes of targeted young people under subdivision 1; and

(4) use the results of the assessment to provide appropriate education and employment opportunities to targeted young people to promote a sense of self-sufficiency, self-esteem, and community.

Subd. 3. [APPLICATION PROCESS.] To obtain a pilot project grant

under this section, an applicant must submit an application to the commissioner of jobs and training in the form and manner prescribed by the commissioner after consultation with the commissioner of education. The application must describe how the applicant will assist targeted young people to set useful education and employment goals, secure meaningful employment, and lead productive lives within the community. The applicant must also indicate what resources will be available to continue the program if it is found to be effective. The commissioner may require additional information from an applicant.

Subd. 4. [REVIEW OF APPLICATIONS.] The commissioner shall review applications to determine whether all the requirements in subdivisions 2 and 3 are met. The commissioner, in consultation with the commissioner of education, shall, at a minimum, consider the following when reviewing applications:

- (1) the education and employment activities proposed for the program;*
- (2) the demonstrated effectiveness of the applicant or joint applicants as a provider of similar services to targeted young people;*
- (3) the attraction and use of other resources including federal and state education funding, federal and state employment training funding, local and private funding, and targeted jobs tax credits in funding the proposed programs;*
- (4) the availability of both the education and employment components of the program on a year-round basis; and*
- (5) the diversity in the geographic location and delivery mechanism of the proposed programs.*

Subd. 5. [GRANT AWARDS.] The commissioner may award up to two pilot project grants, one in the seven-county metropolitan area and one in greater Minnesota.

Subd. 6. [PRELIMINARY REPORT.] The commissioner shall provide a preliminary report on the employment and education projects to the education and judiciary committees of the legislature no later than February 1, 1993. The report shall describe the projects that have been funded and shall include any preliminary information on the implementation and results of the projects.

ARTICLE 13

CRIMINAL JUSTICE DATA PRIVACY PROVISIONS

Section 1. Minnesota Statutes 1990, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [FILING PHOTOGRAPHS OR IMAGES; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing driver licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

- (1) to the issuance and control of driver licenses;
- (2) for law enforcement purposes in the investigation and prosecution of

felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); ~~or~~ 609.821, subdivision 3, clauses (1), item (iv), and (3); *or* 617.23; and

(3) for child support enforcement purposes under section 256.978.

Sec. 2. [241.301] [FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.]

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.16, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court ~~unless the child is alleged to have violated section 169.121 or 169.129~~. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) *A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years.* The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. [DATA PRACTICES RECOMMENDATIONS.]

The commissioners of administration, public safety, human services, health, corrections, and education shall make recommendations regarding

the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court service agencies, and correctional agencies. The commissioners shall develop their recommendations in consultation with local public social service agencies, police departments, sheriffs' offices, and court services departments. The commissioners shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The commissioners shall consider the impact of any proposed recommendations on individual privacy rights. The commissioners shall submit a written report to the governor and the legislature not later than February 1, 1993.

Sec. 5. [STUDY OF CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

The chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator shall study and make recommendations to the governor and the legislature:

- (1) on a framework for integrated criminal justice information systems;*
- (2) on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;*
- (3) to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;*
- (4) on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;*
- (5) on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;*
- (6) on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;*
- (7) on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;*
- (8) on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems; and*
- (9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems.*

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by January 15, 1993. The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall appoint a task force consisting of the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;
- (2) two sheriffs recommended by the Minnesota sheriffs association;
- (3) two police chiefs recommended by the Minnesota chiefs of police association;
- (4) two county attorneys recommended by the Minnesota county attorneys association;
- (5) two city attorneys recommended by the Minnesota league of cities;
- (6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;
- (7) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;
- (8) two probation officers; and
- (9) two citizens.

The task force expires upon submission of the report by the chair, the commissioners, and the administrator.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. The amounts specified in this section are appropriated from the general fund to the agencies and for the purposes indicated.

	<i>Fiscal Year 1993</i>
<i>Subd. 2. Commissioner of Corrections</i>	<i>\$ 4,019,000</i>
<i>(a) For grants for crime victim centers, with priority to those areas of the state with insufficient programs or services</i>	<i>200,000</i>
<i>(b) For services for victims of sexual assault</i>	<i>500,000</i>
<i>(c) For services for victims of domestic abuse</i>	<i>1,000,000</i>
<i>(d) For grants for domestic abuse programs required under article 6, section 14</i>	<i>500,000</i>
<i>(e) For a sex offender program for juveniles at the Sauk Centre correctional facility</i>	<i>500,000</i>
<i>(f) For a grant administered in consultation with the commissioner of human services to fund research to test the effectiveness of pharmacological agents in the treatment of sex offenders</i>	<i>100,000</i>

<i>(g) For reimbursement of local corrections officials for costs incurred in hiring professional investigators to locate absconded inmates on supervised release. To be eligible for the funds, the officials must have complied with the notice requirements of article 11, section 4</i>	50,000
<i>(h) For grants to counties on the basis of need for the purpose of providing or increasing juvenile sex offender treatment</i>	500,000
<i>(i) For adult sex offender assessments under article 10, section 4, subdivision 3, to be allocated to counties based on the number of sex offense convictions and delinquency adjudications in the county in the previous year</i>	600,000
<i>(j) For prison beds needed for increases in sentences</i>	57,000
<i>(k) For rulemaking for the sex offender treatment program under article 10, sections 2 and 4</i>	12,000
<i>Subd. 3. Commissioner of Human Services</i>	2,575,000
<i>(a) For high-risk youth programs under article 12, section 2</i>	400,000
<i>(b) For pregnant women and women with children under article 12, section 4</i>	500,000
<i>(c) For pilot chemical dependency treatment programs for children</i>	300,000
<i>(d) For statewide children's safety center demonstration projects</i>	200,000
<i>(e) For grants for the Asian juvenile crime prevention program</i>	500,000
<i>(f) To award a child abuse prevention grant under article 12, section 11</i>	75,000
<i>(g) For grants to counties for pilot projects to provide mental health and chemical dependency screening for juveniles in detention, not to be used for out-of-home placement or to replace current funding for programs presently in operation</i>	600,000
<i>Subd. 4. Commissioner of Jobs and Training</i>	2,325,000
<i>(a) For the youth employment and education pilot program described in article 12, section 12</i>	50,000
<i>(b) For juvenile crime prevention grants to head start grantees under article 12, section 8</i>	2,000,000
<i>(c) For additional funding for youth intervention programs under Minnesota Statutes, section 268.30</i>	275,000

<i>Subd. 5. Commissioner of Health</i>	500,000
<i>For grants to provide early intervention services for families at risk of child abuse and neglect, as described in article 12, section 1</i>	
<i>Subd. 6. Supreme Court</i>	225,000
<i>(a) For victim-offender mediation programs</i>	150,000
<i>(b) For the task force on the juvenile justice system</i>	75,000
<i>Subd. 7. Peace Officer Standards and Training Board</i>	27,000
<i>For training of peace officers relating to violence and sensitivity to crime victims</i>	
<i>Subd. 8. Commissioner of Public Safety</i>	92,000
<i>(a) For a 24-hour toll-free telephone line for crime victims</i>	30,000
<i>(b) For the bureau of criminal apprehension to collect and retain juvenile records</i>	62,000
<i>Subd. 9. Attorney General</i>	221,000

For the cost of assuming duties of county attorneys relating to psychopathic personality commitments

The appropriations for fiscal year 1993 for mental health and chemical dependency screening for juveniles in detention and for youth intervention programs are available January 1, 1993. For purposes of the 1994-1995 biennial budget, the base funding level for these programs is two times the fiscal year 1993 funding level."

Amend the title as follows:

Page 1, line 14, after "violence" insert "and sensitivity to victims"

Page 1, line 18, delete everything before "increasing"

Page 1, line 22, delete everything after the semicolon

Page 1, line 23, delete everything before the first semicolon and insert "providing for the attorney general to assume the duties of county attorneys in psychopathic personality commitment proceedings; requiring courts to impose minimum fines; creating an advisory task force on the juvenile justice system; providing for retention of records of juvenile sex offense adjudications; creating a fund for community-based treatment of sex offenders; requiring ongoing evaluation of sex offender treatment programs; providing multiple-occupancy standards for correctional facilities; creating programs for the prevention of child abuse and neglect; providing for chemical dependency treatment for children, high-risk youth, and pregnant women, and women with children"

Page 1, line 25, after the first semicolon, insert "171.07, subdivision 1a; 241.021, by adding a subdivision;" and delete "3 and 6" and insert

"1. 2, 3, 6, and by adding a subdivision; 242.195, subdivision 1; 243.53"

Page 1, line 28, after the second semicolon, insert "254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision;"

Page 1, line 34, after the fourth semicolon, insert "609.101, by adding a subdivision;"

Page 1, line 43, after "609.713;" insert "609.746, subdivision 2;"

Page 2, lines 3 and 4, delete "626.861, subdivision 3;"

Page 2, line 7, after the second semicolon, insert "260.161, subdivision 3; 268.914, by adding a subdivision; 299A.31, subdivision 1; 299A.32, subdivision 2a;"

Page 2, line 10, delete "subdivisions" and insert "subdivision" and delete "and 4"

Page 2, line 11, before "law" insert "new" and after "chapters" insert "145A;" and after "237;" insert "241;"

Page 2, line 12, before "299C;" insert "256; 256F; 260;" and after "526;" insert "609;" and delete "626;"

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.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H. F. No. 2060 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Governmental Operations. The motion prevailed.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Johnson, D.J.; Moe, R.D.; Benson, D.D.; Luther and Merriam introduced—

S.F. No. 2791: A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

Referred to the Committee on Finance.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2792: A bill for an act relating to higher education; making miscellaneous changes to higher education provisions; amending Minnesota Statutes 1990, section 136.60, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 169.965, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 136A.101, subdivision 8;

136A.1353, subdivision 4; and Laws 1987, chapter 396, article 12, section 6, subdivision 2; repealing Minnesota Statutes 1991 Supplement, section 135A.50; and Laws 1991, chapter 356, article 3, section 14.

Under the Rules of the Senate, laid over one day.

MEMBERS EXCUSED

Mr. Hughes was excused from the Session of today from 12:00 noon to 1:30 p.m. and at 7:00 p.m. Ms. Reichgott was excused from the Session of today from 2:00 to 2:15 p.m. and from 4:30 to 5:30 p.m. Ms. Berglin was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Dahl was excused from the Session of today from 3:00 to 5:00 p.m. Mr. Chmielewski was excused from the Session of today from 3:00 to 5:30 p.m. Mr. Lessard was excused from the Session of today from 3:15 to 3:45 p.m. Mr. Novak was excused from the Session of today from 3:15 to 5:15 p.m. Mr. Kelly was excused from the Session of today at 5:40 p.m. Mr. Frank was excused from the Session of today at 7:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 8, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate