ONE HUNDREDTH DAY

St. Paul, Minnesota, Thursday, April 16, 1992

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 2177.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1778.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

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

S.F. No. 2699: A bill for an act relating to state government; department of administration; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; requiring certain recipients of state money to provide free advertising space for state programs; amending administration of STARS; changing the date for the department of administration to report recycling goals; providing that the department may retain money from successful litigation; amending auditing requirements for noncommercial radio stations; extending the date for relocating the state printing operation; making various technical changes; amending Minnesota Statutes 1990, sections 16A.15, subdivision 3; 16B.09, by adding a subdivision; 16B.121; 16B.24, subdivisions 1, 5, and 6; 16B.31, by adding a subdivision; 16B.33, subdivision 3; 16B.40, subdivision 8; 16B.465, subdivisions 2, 3, and 6; 16B.58, subdivision 5; 129D.14, subdivisions 3, 4, and 6; Minnesota Statutes 1991 Supplement, sections 16B.19, subdivision 2b; 103B.311, subdivision 7; 115A.15, subdivision 9; and 138.94, subdivision 1; and Laws 1991, chapter 345, article 1, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 16B.

Senate File No. 2699 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

CONCURRENCE AND REPASSAGE

Mr. Riveness moved that the Senate concur in the amendments by the House to S.F. No. 2699 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2699 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, J.B.	Marty	Price
Beckman	Day	Johnston	McGowan	Renneke
Belanger	DeCramer	Kelly	Mehrkens	Riveness
Benson, D.D.	Finn	Knaak	Metzen	Samuelson
Benson, J.E.	Flynn	Kroening	Moe, R.D.	Solon
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederickson, D.J.	Langseth	Novak	Stumpf
Bernhagen	Hughes	Larson	Pappas	Terwilliger
Bertram	Johnson, D.E.	Lessard	Pariseau	Traub
Chmielewski	Johnson, D.J.	Luther	Piper	Vickerman

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; amending Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Senate File No. 2186 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

CONCURRENCE AND REPASSAGE

Ms. Traub moved that the Senate concur in the amendments by the House to S.F. No. 2186 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; providing for an American Indian child welfare advisory council; amending Minnesota Statutes 1990, section 257.3579; Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

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

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1993: A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Ms. Flynn moved that the Senate do not concur in the amendments by the House to S.F. No. 1993, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and

recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. Moe, R.D., for Mr. Merriam, moved that the Senate do not concur in the amendments by the House to S.F. No. 2199, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1691: A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.

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

Pugh, Hasskamp and Bishop.

Senate File No. 1691 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 15, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2030:

H.F. No. 2030: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

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

Rice, Lieder and Brown have been appointed as such committee on the part of the House.

House File No. 2030 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2030, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2280:

H.F. No. 2280: A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

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

Rukavina; Johnson, R. and Boo have been appointed as such committee on the part of the House.

House File No. 2280 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2280, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1681:

H.F. No. 1681: A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; permitting the sale of credit unemployment insurance on the same basis as other credit insurance; requiring consumer disclosures; specifying minimum loss ratios for credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivision 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 61A.011, by adding a subdivision; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 2; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1 and 2; 62B.11; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivision 27, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62B; and 62I; proposing coding for new law as

Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13, subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

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

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

House File No. 1681 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1681, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2848:

H.F. No. 2848: A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

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

Reding, Knickerbocker and Kahn have been appointed as such committee on the part of the House.

House File No. 2848 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

Mr. Waldorf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2848, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2717 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2717	2102				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2717 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2717 and insert the language after the enacting clause of S.F. No. 2102, the third engrossment; further, delete the title of H.F. No. 2717 and insert the title of S.F. No. 2102, the third engrossment.

And when so amended H.F. No. 2717 will be identical to S.F. No. 2102, and further recommends that H.F. No. 2717 be given its second reading and substituted for S.F. No. 2102, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2649 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2649	2384				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2649 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2649 and insert the language after the enacting clause of S.F. No. 2384, the first engrossment; further, delete the title of H.F. No. 2649 and insert the title of S.F. No. 2384, the first engrossment.

And when so amended H.F. No. 2649 will be identical to S.F. No. 2384, and further recommends that H.F. No. 2649 be given its second reading and substituted for S.F. No. 2384, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1453 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1453	1292				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1453 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1453 and insert the language after the enacting clause of S.F. No. 1292, the second engrossment; further, delete the title of H.F. No. 1453 and insert the title of S.F. No. 1292, the second engrossment.

And when so amended H.F. No. 1453 will be identical to S.F. No. 1292, and further recommends that H.F. No. 1453 be given its second reading and substituted for S.F. No. 1292, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2368 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2368	2665				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2368 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2368 and insert the language after the enacting clause of S.F. No. 2665, the second engrossment; further, delete the title of H.F. No. 2368 and insert the title of S.F. No. 2665, the second engrossment.

And when so amended H.F. No. 2368 will be identical to S.F. No. 2665, and further recommends that H.F. No. 2368 be given its second reading and substituted for S.F. No. 2665, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2134 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2134	2030				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2134 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2134 and insert the language after the enacting clause of S.F. No. 2030, the second engrossment; further, delete the title of H.F. No. 2134 and insert the title of S.F. No. 2030, the second engrossment.

And when so amended H.F. No. 2134 will be identical to S.F. No. 2030, and further recommends that H.F. No. 2134 be given its second reading and substituted for S.F. No. 2030, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2717, 2649, 1453, 2368 and 2134 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Olson moved that the names of Mr. Dicklich and Mrs. Benson, J.E. be added as co-authors to S.F. No. 2556. The motion prevailed.

Mr. Berg moved that the names of Messrs. Frederickson, D.R.; Morse and Ms. Olson be added as co-authors to S.F. No. 2376. The motion prevailed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2113, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2113 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2113

A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; authorizing revolving safety lights on rural mail carrier vehicles; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision; and 169.64, by adding a subdivision.

April 14, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2113, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2113 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.443, subdivision 3, is amended to read:

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity, *except as provided in subdivision 8*;

(4) at railroad grade crossings; and

(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people.

Sec. 3. Minnesota Statutes 1991 Supplement, section 169.443, is amended by adding a subdivision to read:

Subd. 8. [SCHOOL BUSES USED FOR RECREATIONAL AND EDUCATIONAL ACTIVITY.] *A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. Notwithstanding section 169.441, subdivision 3, a school bus may provide such transportation only if (1) the "school bus" sign required by section 169.443, subdivision 3, is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.*

Sec. 4. Laws 1988, chapter 573, section 1, is amended to read:

Section 1. [DULUTH TRANSIT BUSES ARE NOT SCHOOL BUSES.]

Notwithstanding Minnesota Statutes, section 169.01, subdivision 6, and 171.01, subdivision 21, the Duluth transit authority may transport secondary students to or from a school, or to or from school-related activities within the city of Duluth, on fixed routes and schedules or under an agreement with independent school district No. 709, in a publicly owned transit bus. *For the purposes of this section, secondary students include students in grade six who attend a school serving grades six through eight.*

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective the day after the school board in section 4 complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; and 169.443, subdivision 3, and by adding a subdivision; Laws 1988, chapter 573, section 1."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Howard Orenstein, Alice M. Johnson, Arthur W. Seaberg

Senate Conferees: (Signed) Richard J. Cohen, Sam G. Solon, Lyle G. Mehrkens

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2113 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2113 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1619 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1619

A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1619, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1619 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both. *Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 against a family or household member, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.*

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Sec. 2. Minnesota Statutes 1990, section 609.224, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] *(a) When a person is convicted of a violation of this section, the court shall determine and make written findings on the record as to whether:*

(1) the assault was a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order the defendant to relinquish possession of the firearm and give it to the local law enforcement agency. Notwithstanding section 609.531, subdivision 1, paragraph (f), clause (1), the court shall determine whether the firearm shall be forfeited under section 609.5316, subdivision 3, or retained by the local law enforcement agency for a period of three years. If the owner has not been convicted of any crime of violence as defined in section 624.712, subdivision 5, or 609.224 against a family or household member within that period, the law enforcement agency shall return the firearm.

(c) When a person is convicted of a violation of this section and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

(d) A person is not entitled to possess a pistol if:

(1) the person has been convicted after August 1, 1992 of assault in the fifth degree if the offense was committed within three years of a previous conviction under sections 609.221 to 609.224; or

(2) the person has been convicted after August 1, 1992 of assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this subdivision is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 624.713, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO CONVICTED PERSONS.] *When a person is convicted of a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from*

possessing a pistol for a period of ten years after the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the felony penalty to that defendant.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1992, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; enhancing penalties for an assault against a family or household member; requiring courts to take possession of any firearm used in the commission of such an assault; disqualifying persons convicted of fifth degree domestic assault from possessing a pistol under certain circumstances; requiring persons convicted of crimes of violence to be notified that they are prohibited from possessing pistols for ten years after restored to civil rights; amending Minnesota Statutes 1990, sections 609.224, subdivision 2, and by adding a subdivision; and 624.713, by adding a subdivision."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John Marty, Allan H. Spear, Fritz Knaak

House Conferees: (Signed) Dave Bishop, Kathleen Vellenga, Loren A. Solberg

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1619 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1619 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1910, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1910 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1910

A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; amending Minnesota Statutes 1990, sections 211B.15, subdivision 1; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 322B.

April 14, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1910, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1910 be further amended as follows:

Pages 1 and 2, delete section 1, and insert:

"Section 1. Minnesota Statutes 1990, section 211B.15, subdivision 1, is amended to read:

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

(b) "Corporation" ~~for purposes of this section~~ means a corporation organized for profit that does business in Minnesota.

(c) "Limited liability company" means a limited liability company formed under chapter 322B, or under similar laws of another state, that does business in Minnesota.

Sec. 2. Minnesota Statutes 1990, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation *or limited liability company* may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers or employees, or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 3. Minnesota Statutes 1990, section 211B.15, subdivision 3, is amended to read:

Subd. 3. [INDEPENDENT EXPENDITURES.] A corporation *or limited liability company* may not make an independent expenditure or offer or agree to make an independent expenditure to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "independent expenditure" means an expenditure that is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate.

Sec. 4. Minnesota Statutes 1990, section 211B.15, subdivision 4, is amended to read:

Subd. 4. [BALLOT QUESTION.] A corporation *or limited liability company* may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot unless otherwise prohibited by law, or to express its views on issues of public concern. A corporation *or limited liability company* may not make a contribution to a candidate for nomination, election, or appointment to a political office or to a committee organized wholly or partly to promote or defeat a candidate.

Sec. 5. Minnesota Statutes 1990, section 211B.15, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR INDIVIDUALS.] An officer, *manager*, stockholder, *member*, agent, employee, attorney, or other representative of a corporation *or limited liability company* acting in behalf of the corporation *or limited liability company* who violates this section may be fined not more than $20,000 or be imprisoned for not more than five years, or both.

Sec. 6. Minnesota Statutes 1990, section 211B.15, subdivision 7, is amended to read:

Subd. 7. [PENALTY FOR CORPORATIONS *OR LIMITED LIABILITY COMPANIES*.] A corporation *or limited liability company* convicted of violating this section is subject to a fine not greater than $40,000. A convicted domestic corporation *or limited liability company* may be dissolved as well as fined. If a foreign or nonresident corporation *or limited liability company* is convicted, in addition to being fined, its right to do business in this state may be declared forfeited.

Sec. 7. Minnesota Statutes 1990, section 211B.15, subdivision 9, is amended to read:

Subd. 9. [MEDIA PROJECTS.] It is not a violation of this section for a corporation *or limited liability company* to contribute to or conduct public media projects to encourage individuals to attend precinct caucuses, register, or vote if the projects are not controlled by or operated for the advantage of a candidate, political party, or committee.

Sec. 8. Minnesota Statutes 1990, section 211B.15, subdivision 10, is amended to read:

Subd. 10. [MEETING FACILITIES.] It is not a violation of this section for a corporation *or limited liability company* to provide meeting facilities to a committee, political party, or candidate on a nondiscriminatory and nonpreferential basis.

Sec. 9. Minnesota Statutes 1990, section 211B.15, subdivision 11, is amended to read:

Subd. 11. [MESSAGES ON ~~CORPORATE~~ PREMISES.] It is not a violation of this section for a corporation *or limited liability company* selling products or services to the public to post on its public premises messages that promote participation in precinct caucuses, voter registration, or elections if the messages are not controlled by or operated for the advantage of a candidate, political party, or committee."

Renumber the sections of article 1 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, delete "subdivision 1" and insert "subdivisions 1, 2, 3, 4, 6, 7, 9, 10, and 11"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, Ron Abrams, Kris Hasskamp

Senate Conferees: (Signed) Ember D. Reichgott, Lawrence J. Pogemiller, William V. Belanger, Jr.

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1910 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

H.F. No. 1910 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 81 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 81

A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 81, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 81 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and

that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 2. Minnesota Statutes 1990, section 272.46, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF TAX LIENS.] The county auditor, upon written application of any person, shall make search of the records of the auditor's office, and ascertain the existence of all tax liens and tax sales as to any lands described in the application, and certify the result of such search under the auditor's hand and official seal, giving the description of the land and all tax liens and tax sales shown by such records, and the amount thereof, the year of tax covered by such lien, the date of tax sale, and the name of the purchaser at such tax sale.

For such service the county auditor shall charge a fee ~~not to exceed $5~~ for each lot or tract of land described in the certificate. The amount of the fee will be established by the county board on or before July 1 of each year. Any number of contiguous tracts of land not exceeding one section, assessed as broad acres, or adjoining lots in the same block, in the city, shall be considered as one lot or parcel within the meaning of this section. The provisions of this section shall not apply to counties having a population of more than 225,000.

Sec. 3. Minnesota Statutes 1990, section 272.47, is amended to read:

272.47 [COUNTY TREASURER, CERTIFICATE OF CURRENT TAXES; FEE.]

The county treasurer, upon written application of any person, shall make search of the tax duplicates and records of the treasurer's office and ascertain the amount of current tax against any lot or parcel of land described in the application, and shall certify the result of such search under the treasurer's hand and official seal, giving the description of land, year of tax and amount, if any, and for such certificate the treasurer shall be entitled to charge the applicant a fee ~~not to exceed $5~~. The amount of the fee will be established by the county board on or before July 1 of each year. The definition of "lot or parcel," for the purposes of this section, shall be the same as set forth in section 272.46.

This section shall not authorize such treasurer to charge any amount for certifying to taxes on a deed to be recorded or for information with reference to the current tax on any subdivision of land in the county, where no certificate thereof is necessary or required. The provisions of this section shall not apply to counties having a population of more than 200,000.

Sec. 4. Minnesota Statutes 1990, section 279.09, is amended to read:

279.09 [PUBLICATION OF NOTICE AND LIST.]

The county auditor shall cause the notice and list of delinquent real

property to be published ~~once in each of two consecutive weeks~~ *twice* in the newspaper designated~~.~~. The first publication ~~of which~~ shall be made on or before March 20 immediately following the filing of such list with the court administrator of the district court. *The second publication shall occur during the fourth week following the first publication. The first publication may include a notice stating that if taxes for a parcel are paid in full not less than one week before the second publication, that parcel and information relating to it will not appear in the second publication. The county auditor shall act in accordance with the notice. Publication charges for the second publication may not exceed the publication charges for the first publication.* The auditor shall deliver such list to the publisher of the newspaper designated, at least 20 days before the date upon which the list shall be published for the first time.

Sec. 5. Minnesota Statutes 1990, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by ~~three~~ *two* weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of . . . . . , State of Minnesota.

To . . . . . .

You are hereby notified that the following described piece or parcel of land, situated in the county of . . . . . and State of Minnesota, and known and described as follows: . . . . . , is now assessed in your name; that on the . . . . . day of May, ... , at the sale of land pursuant to the real estate tax judgment, duly given and made in and by the district court in and for said county of . . . . . on the . . . . . day of March, ... in proceedings to enforce the payment of taxes delinquent upon real estate for the year . . . . . for said county of . . . . . the above described piece or parcel of land was sold for the sum of $ . . . . . , and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of $ . . . . . , and interest at the rate of . . . . . percent per annum from said . . . . . day of . . . . . , ... to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this . . . . . day of . . . . . .

. . . . . .

(OFFICIAL SEAL)

County Auditor of

. . . . . County, Minnesota."

Sec. 6. Minnesota Statutes 1990, section 281.23, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published for ~~three~~ *two* successive weeks in the official newspaper of the county, the notice prescribed by subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 367.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, TERMS.] Except in towns operating under option A, three supervisors shall be elected in each town as provided in this section. When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot. When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one

whose term expires at that time *and shall serve until a successor is elected and qualified*. Except in towns operating under option B or option D, or both, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Sec. 8. Minnesota Statutes 1990, section 367.05, subdivision 1, is amended to read:

Subdivision 1. The town board shall set the compensation of supervisors, town assessors, the treasurer, clerk, deputy clerk, if one is employed, ~~the road overseer~~ *deputy treasurer, if one is employed*, and other employees of the town. In addition, supervisors, assessors, treasurers, clerks, deputy clerks, ~~road overseers~~ *deputy treasurers*, and other employees of the town shall be entitled to mileage for the use of their own automobile at a rate to be determined by the town board for necessary travel on official town business. The town board may fix the hours of employment for town employees, and reimburse a town assessor for expenses.

Sec. 9. Minnesota Statutes 1990, section 375.17, is amended to read:

375.17 [PUBLICATION OF FINANCIAL STATEMENTS.]

Annually, not later than the first Tuesday after the first Monday in March, the county board shall make a full and accurate statement of the receipts and expenditures of the preceding year, which shall contain a statement of the assets and liabilities, a summary of receipts, disbursements, and balances of all county funds together with a detailed statement of each fund account, under the form and style prescribed by and on file with the state auditor. The prescribed form and any changes or modifications of it shall so far as practical be uniform for all counties and be approved by the attorney general and the state printer. Before June 1 the board shall publish the statement *or a summary of the statement in a form as prescribed by the state auditor*, for one issue in a duly qualified legal newspaper in the county. ~~The board may refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings of the county board contain the information, if all disbursements aggregating $5,000 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what purpose and are made a part of, and published with, the financial statement. The county board may refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses. The county board may refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of the disbursements for those purposes must be published.~~ In addition to the publication in the newspaper designated by the board as the official newspaper for publication of the financial statement, the statement *or summary* shall be published in one other newspaper, if one of general circulation is located in a different municipality in the county than the official newspaper. The county board shall call for separate bids for each publication. *If the county board elects to publish the full statement, the county board may:*

(1) refrain from publishing an itemized account of amounts paid out, to whom and for what purpose to the extent that the published proceedings or the financial statement of the county board contain the information, if all disbursements aggregating $100 or more to any person are set forth in a schedule of major disbursements showing amounts paid out, to whom and for what

purpose and are made part of, and published with the financial statement;

(2) refrain from publishing the names and amounts of salaries and expenses paid to employees but shall publish the totals of disbursements for salaries and expenses; and

(3) refrain from publishing the names of persons receiving poor relief or direct relief and the amounts paid to each, but the totals of disbursements for those purposes must be published. If a provision of this section is inconsistent with section 393.07, the provisions of that section shall prevail. *The financial statement must be filed with the county auditor for public inspection.*

Sec. 10. Minnesota Statutes 1990, section 375B.03, is amended to read:

375B.03 [ESTABLISHMENT OF SERVICE DISTRICTS.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the county, any county in this state, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class.~~ may establish subordinate service districts to provide and finance any governmental service or function which it is otherwise authorized to undertake. A function or service to be provided shall not include a function or service which the county generally provides throughout the county unless an increase in the level of the service is to be supplied in the service district.

Sec. 11. Minnesota Statutes 1990, section 375B.04, is amended to read:

375B.04 [CREATION BY COUNTY BOARD.]

The county board of commissioners of any county, except a metropolitan county as defined in section 473.121, subdivision 4, ~~and any other county containing a city of the first class.~~ may establish a subordinate service district in a portion of the county by adoption of an appropriate resolution. Before the adoption of the resolution, the county board shall hold a public hearing on the question of whether or not a subordinate service district shall be established. The resolution shall specify the service or services to be provided within the subordinate service district and shall specify the territorial boundaries of the district.

Sec. 12. Minnesota Statutes 1990, section 465.79, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF BOUNDARY COMMISSION.] The boundary commission shall review ~~metes and bounds~~ *property* descriptions within the city. Upon notice to all known parties in interest, the commission shall attempt to establish agreements between adjoining landowners as to the location of common boundaries *as delineated by a certified land survey*. If agreement cannot be reached, the commission shall make a recommendation as to the location of the common boundary. The commission shall prepare a plan designating all agreed and recommended boundary lines and report to the city council.

Sec. 13. Minnesota Statutes 1990, section 465.79, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL REVIEW.] Following hearing, the council may petition the district court for judicial approval of the proposed plan. *If any affected parcel is land registered under chapter 508 or 508A, the petition must be referred to the examiner of titles for a report.* The council shall provide sufficient information to identify all parties in interest and shall give

notice to parties in interest as the court may order. The court shall determine the location of any contested, disputed, or unagreed boundary and shall determine adverse claims to each parcel as provided in chapter 559. After hearing and determining all disputes, the court shall issue its judgment in the form of a plat complying with chapter 505 and *an order* designating the owners and encumbrancers of each lot. *Real property taxes need not be paid or current as a condition of filing the plat, notwithstanding the requirements of section 505.04.*

Sec. 14. Minnesota Statutes 1990, section 471.562, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means any city, however organized, *a county*, a housing and redevelopment authority created pursuant to, or exercising the powers contained in, chapter 462, or a port authority created pursuant to, or exercising the powers contained in, chapter 458.

Sec. 15. Minnesota Statutes 1990, section 471.563, is amended to read:

471.563 [USES OF LOAN REPAYMENTS.]

Subject to any restrictions imposed on their use by any related federal or state grant, economic development loan repayments and the proceeds of any bonds issued pursuant to section 471.564 may be applied by a municipality to any of the following purposes:

(1) to finance or otherwise pay the costs of a project;

(2) to pay principal and interest on any bonds issued pursuant to section 469.178, with respect to a project, certification of which is requested before August 1, 1987, or pursuant to chapter 474, 458, 462, or section 471.564, to purchase insurance or other credit enhancement for any of those obligations or to create or maintain reserves therefor; ~~or~~

(3) *to establish and maintain a revolving loan fund for economic development; or*

(4) for any other purpose authorized by law.

If economic development loan repayments are used to pay principal or interest on any such obligations, the municipality may be reimbursed for the amount so applied with interest not exceeding the rate of interest on the obligations from subsequent collections of taxes or other revenues that had been designated as the primary source of payment of the obligations.

Sec. 16. [473.140] [LEGISLATIVE MEMBERS OF METROPOLITAN AGENCIES.]

Subdivision 1. [APPLICATION.] *This section applies to the following agencies or their successor agencies: the metropolitan council; the regional transit board; the metropolitan transit commission; the metropolitan waste control commission; the metropolitan sports facilities commission; the metropolitan airports commission; and the metropolitan mosquito control commission.*

Subd. 2. [LEGISLATIVE MEMBERSHIP.] *One member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house, serve as nonvoting members of the agency. The legislative members of the regional transit board shall also serve as members of the advisory committee created in section 473.3991.*

Subd. 2a. [EXCLUSION.] *Agency provisions relating to member qualifications, terms of office, removal by the council for cause, vacancies, and compensation do not apply to legislative members of the agency.*

Sec. 17. Minnesota Statutes 1990, section 473.303, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] *(a)* The commission shall consist of ~~eight~~ *ten* members, plus a chair appointed as provided in subdivision 3.

(b) The metropolitan council shall appoint ~~the~~ eight members in accordance with the provisions of section 473.141.

(c) Two members are legislators, one member of the house of representatives and one member of the senate, appointed by the customary appointing authority of each house. The provisions of subdivisions 4, 4a, 5, and 6 do not apply to the legislative members of the commission.

Sec. 18. Minnesota Statutes 1990, section 473.303, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair of the commission shall be appointed by the council and shall be the ~~ninth~~ *11th* member of the commission and shall meet all qualifications established for members, except the chair need only reside within the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 19. Minnesota Statutes 1990, section 473.3991, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The committee consists of:

(1) two members of the governing board of each regional railroad authority that applies for and receives state funding for preliminary engineering of light rail transit facilities;

(2) one member, in addition to those under clause (1), of the governing board of the Hennepin county regional railroad authority;

(3) one member of the governing board of each regional railroad authority not represented under clause (1) that applies for and receives state funding for planning of light rail transit facilities;

(4) two members of the metropolitan transit commission; ~~and~~

(5) the commissioner of transportation or an employee of the department designated by the commissioner; *and*

(6) two legislators, one member of the house of representatives and one member of the senate, appointed to the transit board under section 16.

Appointments under clauses (1) to (3) are made by the respective authorities, and appointments under clause (4) are made by the commission. The regional transit board shall make the appointment for any appointing authority that fails to make the required appointments. Members serve at the pleasure of the agency making the appointment.

Sec. 20. Minnesota Statutes 1990, section 473.3991, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The regional transit board shall provide staff and administrative services for the committee. The organizations represented on the committee, *other than the legislature*, shall provide information, staff, and technical assistance for the committee as needed.

Sec. 21. Minnesota Statutes 1990, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor *with the advice and consent of the senate* as the seventh voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the metropolitan area. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 22. Minnesota Statutes 1990, section 473.604, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years, *with the advice and consent of the senate as provided in section 15.066*. The chair

may be removed at the pleasure of the governor.

Sec. 23. Minnesota Statutes 1990, section 505.02, subdivision 1, is amended to read:

Subdivision 1. The land shall be surveyed and a plat made setting forth and naming all thoroughfares, showing all public grounds, and giving the dimensions of all lots, thoroughfares and public grounds. All in-lots shall be numbered by beginning the numbering with number one and numbering each lot progressively, through the block in which they are situated, all blocks shall be numbered progressively, by beginning the numbering with the number one and numbering each block progressively through each plat. Consecutive lot or block numbering shall not be continued from one plat into another. All outlots shall be designated by alphabetical order beginning with outlot "A" in each plat. Durable iron monuments shall be set at all angle and curve points on the outside boundary lines of the plat and also at all block and lot corners and at all intermediate points on the block and lot lines indicating changes of direction in the lines and witness corners. The plat shall indicate that all monuments have been set *or will be set within one year after recording, or sooner as specified by the approving local governmental unit. A financial guarantee may be required for the placement of monuments*. There shall be shown on the plat all survey and mathematical information and data necessary to locate all monuments and to locate and retrace any and all interior and exterior boundary lines appearing thereon. The outside boundary lines of the plat shall be correctly designated on the plat and shall show bearings on all straight lines, or angles at all angle points, and central angle and radii and arc length for all curves. All distances shall be shown between all monuments as measured to the nearest hundredth of a foot. All lot distances shall be shown on the plat to the nearest hundredth of a foot and all curved lines within the plat shall show central angles, radii and arc distances. If a curved line constitutes the line of more than one lot in any block of a plat, the central angle for that part of each lot on the curved line shall be shown. The width of all thoroughfares shall be shown on the plat. Ditto marks shall not be used on the plat for any purpose. In any instance where a river, stream, creek, lake or pond constitutes a boundary line within or of the plat, a survey line shall be shown with bearings or angles and distances between all angle points and their relation to a water line, and all distances measured on the survey line between lot lines shall be shown, and the survey line shall be shown as a dashed line. The outside boundary lines of the plat shall close by latitude and departure with an error not to exceed one foot in 7,500 feet. All rivers, streams, creeks, lakes, ponds, swamps, and all public highways and thoroughfares laid out, opened, or traveled (existing before the platting) shall be correctly located and plainly shown and designated on the plat. The name and adjacent boundary lines of any adjoining platted lands shall be dotted on the plat.

Sec. 24. Minnesota Statutes 1990, section 505.03, subdivision 1, is amended to read:

Subdivision 1. On the plat shall be written an instrument of dedication, which shall be signed and acknowledged by the owner of the land. All signatures on the plat shall be written with black ink (not ball point). The instrument shall contain a full and accurate description of the land platted and set forth what part of the land is dedicated, and also to whom, and for what purpose these parts are dedicated. The surveyor shall certify on the plat that the plat is a correct representation of the survey, that all distances are correctly shown on the plat, that all monuments have been *or will be* correctly placed

in the ground as shown *or stated, and* that the outside boundary lines are correctly designated on the plat. If there are no wet lands or public highways to be designated in accordance with section 505.02, the surveyor shall so state. The certificate shall be sworn to before any officer authorized to administer an oath. The plat shall, except in cities whose charters provide for official supervision of plats by municipal officers or bodies, together with an abstract and certificate of title, be presented for approval to the council of the city or town board of towns wherein there reside over 5,000 people in which the land is located; and, if the land is located outside the limits of any city, or such town, then to the board of county commissioners of the county in which the land is located.

Sec. 25. [GRANULAR CARBON.]

The cities of New Brighton, St. Anthony, and St. Louis Park may contract for the procurement, installation, removal, and treatment of granular activated carbon to be used in a water treatment facility for the treatment of contaminated water for potable consumption without complying with Minnesota Statutes, section 574.26, if the city first determines by resolution that requiring a performance bond will result in no bids or economically disadvantageous bids.

Sec. 26. [COUNTY OF SWIFT; CITY OF BENSON; REORGANIZATION OF JOINT POWERS HOSPITAL.]

Subdivision 1. [AUTHORIZATION.] *Any hospital organized and operating under a joint powers agreement between the county of Swift and the city of Benson may be reorganized and operate pursuant to the provisions of sections 26 to 39, upon compliance with subdivision 2.*

Subd. 2. [REORGANIZATION.] *In order to effect a reorganization, the existing governing body of the hospital shall file its request for reorganization with the county board of the county of Swift and the city council of the city of Benson and the county board and city council shall then at their next regular meetings consider the establishment of a hospital district under sections 26 to 39. Upon the adoption of resolutions by each political subdivision stating that the reorganization is effective and assigning a name to the hospital district the creation of the hospital district shall be effected.*

Subd. 3. [REORGANIZATION; DISSOLUTION.] *After a hospital district is organized under sections 26 to 39 upon approval by the city and the county, it may reorganize and operate under and pursuant to Minnesota Statutes, sections 447.31 to 447.50; or it may be dissolved in accordance with Minnesota Statutes, section 447.38, provided that in that event the county and the city shall be deemed to be the governmental subdivisions that may petition for dissolution and upon dissolution one-third of the assets of the district shall be conveyed to the city and two-thirds shall be conveyed to the county.*

Subd. 4. [POLITICAL SUBDIVISION.] *For the purpose of laws applicable to political subdivisions, the hospital district shall be a political subdivision but shall not have taxing authority.*

Sec. 27. [HOSPITAL BOARD; APPOINTMENT; TERMS.]

Subdivision 1. [GOVERNING BOARD.] *The hospital district shall be governed by a board of directors of at least nine and not more than 12 voting members, elected as provided in subdivision 2. All members of the hospital board at the time the hospital district is organized shall continue in office*

until the members of the first board of the hospital district are elected and qualify.

Subd. 2. [ELECTION.] *Three directors shall be elected by the city council and six directors shall be elected by the county board. Up to three additional voting members and additional nonvoting members may be provided for in bylaws adopted pursuant to section 30, subdivision 5. As nearly as possible, one-third of the members of the first board of directors shall be elected for a term to expire one year from the next December 31 following that election, one-third for a term to expire two years from that date, and one-third for a term to expire three years from that date. Each of the political subdivisions electing directors shall assign terms of office to each director according to these staggered terms. Successors to the first board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of office shall expire on December 31. In case of a vacancy on the board of directors, whether due to death, removal from the district, inability to serve, resignation, removal by the entity that elected the director, or other cause, the majority of the governing body of the entity that elected the director whose position is vacant shall elect a director to fill the vacancy for the then unexpired term.*

Subd. 3. [COMPENSATION.] *The members of the board of directors may receive compensation for their services as such and may be reimbursed for reasonable expenses necessarily incurred in the performance of their duties to the extent provided for in bylaws adopted pursuant to section 30, subdivision 5.*

Subd. 4. [IMMUNITY FROM LIABILITY.] *Except as otherwise provided in this subdivision, no person who serves without compensation as a member of the board of directors shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct. This subdivision does not apply to:*

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision, the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to Minnesota Statutes, section 15.059, subdivision 3; or

(3) payment by the hospital district of insurance premiums on behalf of a member of the board.

Sec. 28. [OFFICERS OF THE BOARD.]

Subdivision 1. [OFFICES; ELECTION.] *At the first meeting of the board*

of directors of the hospital district, and at each first regular meeting after December 31, the board shall elect, from their number, a chair, a vice-chair, a secretary, and a treasurer. Each officer elected at the first regular meeting after December 31 shall hold office for one year, and until the officer's successor has been duly elected and qualified. In case of vacancy in any office the chair shall appoint a member to fill the vacancy until the next regular election of officers.

Subd. 2. [DUTIES.] *The officers shall have the duties specified in this subdivision and additional duties as set forth in bylaws adopted in accordance with section 30, subdivision 5. The chair shall preside at all meetings of the board of directors and shall perform all duties usually incumbent upon such an officer. The vice-chair shall preside in the absence of the chair. The secretary shall record the minutes of all meetings of the board and be the custodian of all books and records of the district. The treasurer shall be the custodian of money received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any functions and duties of any officer, subject to the supervision and control of the officer.*

Sec. 29. [MEETINGS OF THE BOARD.]

Regular meetings of the board of directors shall be held at least quarterly and more frequently as provided in bylaws of the hospital district, at the time and place as the board shall by resolution determine. The meetings may be held at any time upon the call of the chair or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon other notice as the board, by resolution or according to bylaws adopted by the board of directors, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Sec. 30. [THE HOSPITAL DISTRICT AND ITS POWERS.]

Subdivision 1. [AUTHORITY; STATUS; PREEXISTING OBLIGATION.] *The hospital district shall have perpetual succession, may contract and be contracted with, may sue and be sued, may, but shall not be required to, use a corporate seal, may acquire real and personal property as it may require, within or without the district, by purchase, gift, devise, lease, condemnation, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. All of the assets, real and personal, of the preexisting hospital organization owned by the county and the city, doing business as Swift County-Benson Hospital, shall pass to the hospital district in fee title or by lease, and all legally valid and enforceable claims and contract obligations of the preexisting hospital organization shall be assumed by the city of Benson and county of Swift. All taxable property in the district shall continue to be taxable for the payment of any bonded debt previously incurred by the preexisting hospital or by the city of Benson or the county of Swift on behalf of the preexisting hospital. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by the district shall be exempt from general property taxation by the state or any of its political subdivisions, but nothing*

in sections 26 to 39 shall prevent the levy of special assessments for public improvements benefiting the property.

Subd. 2. [BUDGET.] *The board of directors shall adopt a budget for each ensuing year and shall provide the budget to the city council and the county board prior to the beginning of the year to which the budget applies. The city council and county board may consider the budget and provide their comments and recommendations to the board of directors.*

Subd. 3. [POWERS.] *The hospital district shall have all the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration for the hospital, including nursing home, other facilities for the residential occupancy of ambulatory elderly citizens who do not require nursing home or general hospital care and related programs, as the board of directors shall determine to be necessary and expedient. The enumeration of specific powers herein does not restrict the power of the board to take any lawful action which, in the reasonable exercise of its discretion, it deems necessary or convenient for the furtherance of the purpose for which the district exists, whether or not the power to take the action is implied from any of the powers expressly granted. These powers shall include, but not be limited to, the power to:*

(1) employ management, administrative, nursing, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits, or by fees as may be agreed on;

(2) cause reports, plans, studies, and recommendations to be prepared;

(3) when acquiring real and personal property as authorized in subdivision 1, contract for the acquisition by option, contract for deed, conditional sales contract, or otherwise;

(4) construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) adopt bylaws and rules and regulations to govern the operation and administration of any and all hospital, nursing home, and other facilities under its control, and for the admission of persons thereto;

(6) impose and collect charges for all services and facilities provided and made available by it;

(7) borrow money and issue bonds as prescribed in sections 26 to 39;

(8) procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, or for errors and omissions, and against damage to or destruction of any of its facilities, equipment, or other property;

(9) subject to subdivision 4, sell or lease any of its facilities or equipment as may be expedient;

(10) cause annual audits to be made of its accounts, books, vouchers, and funds by competent public accountants; this provision shall be construed to be mandatory;

(11) require a corporate surety bond from officers and employees of the district, and in the amount the board shall determine, and authorize payment of the premiums therefor; or

(12) provide loans to students as provided in Minnesota Statutes, section 447.331.

Subd. 4. [APPROVAL FOR SALE OR LEASE.] *Nothing contained in this section shall be construed to authorize the district or its board of directors to at any time sell, lease, or otherwise transfer the management, control, or operation of the hospital, including nursing home or other facilities, except upon approval by a majority vote of the county board and the city council.*

Subd. 5. [BYLAWS.] *Bylaws shall be adopted to further govern the operation of the hospital district. Bylaws or any amendment or repeal of them, shall first be adopted by the board of directors, but shall not take effect until approved by the county board and the city council. Bylaws may address any subject matter pertinent to the organization and operation of the hospital district consistent with sections 26 to 39 and other applicable laws.*

Sec. 31. [PAYMENT OF EXPENSES.]

Expenses of acquisition, betterment, administration, operation, and maintenance of the hospital district shall be paid from the revenue derived therefrom and, to the extent authorized by sections 26 to 39, from the proceeds of debt incurred for the benefit of the district, and to the extent determined from time to time by the county board or the city council, from appropriations made by the county board or the city council. Money appropriated by the board of county commissioners and the city council to acquire or improve facilities of the hospital district may be transferred in the discretion of the board of directors to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county and the city any sums appropriated by the county board or the city council for this purpose, out of the net revenues to be derived from operation of its facilities, and subject to the terms agreed on.

Sec. 32. [TEMPORARY BORROWING AUTHORITY.]

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] *Subject to the approval of the city and the county, the hospital district may borrow money by issuing certificates of indebtedness in anticipation of revenues and federal aids. Total indebtedness for the certificates must not exceed $50,000. The proceeds must be used for expenses of administration, operation, and maintenance of the district's hospital, nursing home, or other facilities. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies.*

Subd. 2. [RESOLUTION.] *The district may authorize and borrow and issue the certificates of indebtedness on passage of a resolution specifying the amount and reasons for borrowing. The resolution must be adopted by a vote of at least two-thirds of its board members, excluding board members who may not vote. The board shall fix the amount, date, maturity, form, denomination, and other details of the certificates and the date and place for receipt of bids for their purchase. The board shall direct the secretary to give notice of the date and place fixed.*

Subd. 3. [TERMS OF CERTIFICATES.] *Certificates must become due and payable no later than two years from the date of issuance. Certificates must be negotiable and payable to the order of the payee and have a definite due date but may be payable on or before the due date. Certificates must be sold for at least par and accrued interest and must bear interest at not more than eight percent a year. Interest must be payable at maturity or earlier as the board determines. The proceeds of current county or city appropriations,*

revenues derived from the facilities of the district and future federal aids, and any other district funds that become available must be applied to the extent necessary to repay the certificates.

Sec. 33. [HOSPITALS, NURSING HOMES, AND OTHER FACILITIES; FINANCING AND LEASING.]

Subdivision 1. [FINANCING.] *Subject to the approval of the city and the county, the hospital district may issue revenue bonds by resolution of its governing body to finance the acquisition and betterment of hospital, nursing home, and other facilities. This power is in addition to other powers granted by law and includes, but is not limited to, the payment of interest during construction and for a reasonable period after construction and the establishment of reserves for bond payment and for working capital. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies. In connection with the acquisition of any existing hospital or nursing home facilities, the city, county, or district may retire outstanding indebtedness incurred to finance the construction of the existing facilities.*

Subd. 2. [PLEDGE OF REVENUE.] *The hospital district may pledge and appropriate the revenues to be derived from its operation of the facilities to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on the revenues or, if so provided in the bond resolution, as a lien on the revenues subordinate to the current payment of a fixed amount or percentage or all of the costs of running the facilities.*

Sec. 34. [SECURITY FOR BONDS; PLEDGE OF CREDIT FOR BONDS.]

In the issuance of bonds the revenues or rentals must be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders. The site and facilities, or any part of them, may be mortgaged to the trustee. The governing body may enter into any covenants with the bondholders or trustee that it finds necessary and proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and other funds pledged, and the sufficiency of funds for prompt and full payment of bonds and interest. The bonds shall be deemed to be payable wholly from the income of a revenue-producing convenience within the meaning of Minnesota Statutes, section 475.58, unless the appropriate governing body also pledges to their payment the full faith and credit of the county or city. In this event, notice of the intent to issue bonds with a pledge of the full faith and credit of the county or city specifying the maximum amount and the purpose of the bond issue shall be published and if, within ten days of the date of publication, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular election is filed with the secretary, the bonds may not be issued unless approved by a majority of the electors voting on the question at a legal election.

Sec. 35. [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 26 to 39 must be issued and sold as provided in Minnesota Statutes, chapter 475. If the bonds do not pledge the credit of the hospital district as provided in section 34, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality or county, and are not subject to interest rate

limitations, as defined or referred to in Minnesota Statutes, sections 475.51 and 475.55.

Sec. 36. [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.]

Subject to section 30, subdivision 4, the hospital district may lease hospital, nursing home, or other facilities to be run by a nonprofit or public corporation as community facilities. The facilities must be open to all residents of the community on equal terms. The district may lease related medical facilities to any person, firm, association, or corporation, at rent and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may be granted an option to renew the lease for an additional term or to purchase the facilities. The terms of renewal or purchase must be provided for in the lease. The hospital district may by resolution of its governing body agree to pay to the lessee annually, and to include in each annual budget for hospital and nursing home purposes, a fixed compensation for services agreed to be performed by the lessee in running the hospital, nursing home, or other facilities as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital, nursing home, or other facilities; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it. Services other than those provided for in the lease agreement may be compensated at rates agreed upon later. The lease agreement must, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the hospital district to acquire, improve, and refinance the leased facilities, and to maintain the agreed revenue bond reserve. The lease agreement must not grant the lessee an option to purchase the facilities at a price less than the amount of the bonds issued and interest accrued on them, except bonds and accrued interest paid from the net rentals before the option is exercised.

To the extent that the facilities are leased under this section for use by persons in private medical or dental or similar practice or other private business, a tax on that use must be imposed just as though the user were the owner of the space. It must be collected as provided in Minnesota Statutes, section 272.01, subdivision 2.

Sec. 37. [REFUNDING BONDS.]

The county, city, or hospital district may issue bonds by resolution of its governing body to refund bonds issued for the purposes stated in sections 26 to 39.

Sec. 38. [SWIFT COUNTY.]

The county of Swift may make appropriations in whatever amount it deems appropriate for capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 26 to 39 and any other hospital in the county notwithstanding Minnesota Statutes, sections 376.08 and 376.09 or any other limiting statutes or laws otherwise applicable to the county. The county may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 39. [CITY OF BENSON.]

The city of Benson may make appropriations in whatever amount it deems

appropriate for the purposes of capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 26 to 39 notwithstanding any limiting statutes or laws otherwise applicable to the city. The city may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 40. [POWERS SUPPLEMENTARY.]

The powers granted by sections 26 to 39 are supplementary to and not in substitution for any other powers possessed by political subdivisions in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals, nursing homes, and related facilities and programs or the creation of hospital districts.

Sec. 41. [APPLICATION.]

Sections 16 to 22 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 42. [REPEALER.]

Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; 383C.34, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 7 and 8 are effective the day after final enactment. Section 25 is effective for the city of New Brighton the day after its governing body complies with section 645.021, subdivision 3. Section 25 is effective for the city of St. Anthony the day after its governing body complies with section 645.021, subdivision 3. Section 25 is effective for the city of St. Louis Park the day after its governing body complies with section 645.021, subdivision 3. Sections 26 to 39 are effective the day after the county board of Swift county and the governing body of the city of Benson comply with section 645.021, subdivision 3. Section 42 is effective the day after the county board of St. Louis county complies with section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; setting fees; providing for certain publications and notices; setting conditions for town officers; requiring boundary information; permitting certain accounts; providing for senate approval of certain members of metropolitan bodies; providing for legislator members of metropolitan bodies; providing certain county and city powers; regulating county inspections; permitting certain subordinate service districts; amending Minnesota Statutes 1990, sections 180.03, by adding a subdivision; 272.46, subdivision 1; 272.47; 279.09; 281.13; 281.23, subdivision 3; 367.03, subdivision 1; 367.05, subdivision 1; 375.17; 375B.03; 375B.04; 465.79, subdivisions 2 and 4; 471.562, subdivision 3; 471.563; 473.303, subdivisions 2 and 3; 473.3991, subdivisions 2 and 4; 473.553, subdivision 3; 473.604, subdivision 1; 505.02, subdivision 1; and 505.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1990, sections 383C.33; 383C.331; 383C.332; 383C.333; 383C.334; 383C.335; 383C.336; 383C.337; 383C.338; and 383C.34."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John C. Hottinger, Betty A. Adkins, Dick Day

House Conferees: (Signed) Jerry Janezich, Irv Anderson, Dick Pellow

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 81 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Frank moved that the recommendations and Conference Committee Report on S.F. No. 81 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Frank.

The roll was called, and there were yeas 30 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Flynn	Johnston	McGowan	Reichgott
Benson, D.D.	Frank	Kelly	Mehrkens	Riveness
Benson, J.E.	Frederickson, D.R.	Knaak	Pappas	Spear
Berg	Halberg	Kroening	Pariseau	Terwilliger
Berglin	Hughes	Luther	Piper	Traub
Cohen	Johnson, D.E.	Marty	Price	Waldorf

Those who voted in the negative were:

Adkins	Day	Hottinger	Lessard	Renneke
Beckman	DeCramer	Johnson, D.J.	Metzen	Sams
Bernhagen	Dicklich	Johnson, J.B.	Mondale	Samuelson
Bertram	Finn	Laidig	Morse	Solon
Chmielewski	Frederickson, D.J.	Langseth	Novak	Stumpf
Davis	Gustafson	Larson	Pogemiller	Vickerman

The motion did not prevail.

RECONSIDERATION

Having voted on the prevailing side, Mr. Pogemiller moved that the vote whereby the Frank motion to reject the Conference Committee report on S.F. No. 81 failed on April 16, 1992, be now reconsidered. The motion prevailed.

The question recurred on the motion of Mr. Frank. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the Joint Rule 2.06 time requirement for copies of Conference Committee Reports placed on members' desks, be suspended for the remainder of the 1992 Session. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

CALENDAR

H.F. No. 2001: A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 69.011, by adding a subdivision; 69.031, subdivision 5; and

422A.01, by adding subdivisions; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1015: A bill for an act relating to transportation; designating a natural preservation route within the lower St. Croix wild and scenic river district in Washington county; establishing a pilot program of paved bikeways along an interstate route; providing for and regulating bicycles to be operated on bikeways along or between the divided lanes of certain interstate highways and other highways and roads; providing for and regulating recreational vehicle combinations; providing for highway planning and rules for bikeways; amending Minnesota Statutes 1990, sections 103F.351, by adding a subdivision; 161.174; 161.20, subdivision 2; 161.202, subdivision 2; 161.21, subdivision 1; 161.32, subdivision 4; 161.38, subdivision 7; 161.39, subdivision 1; 164.151; 167.50, subdivision 1; 169.01, by adding a subdivision; 169.18, subdivision 7; 169.19, subdivision 1; 169.222, subdivision 10; and 169.86, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 160.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2025 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2025: A bill for an act relating to retirement; the Minnesota state retirement system; public employees retirement association; and teachers retirement association; increasing the interest rate on the repayment of refunds and similar transactions; authorizing purchases of prior service credit; authorizing a refund of employee contributions to the public employees retirement association by a certain sick Hennepin county employee; authorizing revocation of defined contribution options by Shorewood council members; correcting prior enactments; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 353A.07, subdivision 3, as amended; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; and 354.094, subdivision 1.

Mr. Waldorf moved to amend H.F. No. 2025, as amended pursuant to Rule 49, adopted by the Senate April 13, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1916.)

Page 6, line 8, delete the new language and insert "*for purchase of prior military service under this section and*"

Page 6, line 9, delete the new language

Page 22, after line 32, insert:

"ARTICLE 4

PURCHASES OF PRIOR SERVICE AND OTHER

RETIREMENT LAW CHANGES

Section 1. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION: PURCHASES OF PRIOR SERVICE CREDIT.]

Subdivision 1. [ELIGIBILITY; MINNEAPOLIS CONSTRUCTION EQUIPMENT OPERATOR.] *(a) Notwithstanding any provision of Minnesota Statutes, section 353.27, subdivision 12, to the contrary, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the coordinated program of the public employees retirement association for the period described in paragraph (c) by paying the amount specified in subdivision 4.*

(b) An eligible person is a person who:

(1) is currently a member of the coordinated program of the public employees retirement association;

(2) was born on August 22, 1956;

(3) was employed on a temporary or seasonal basis by a city of the first class on June 24, 1983;

(4) was first eligible for membership in the public employees retirement association in 1985; and

(5) did not become a member of the public employees retirement association until September 1986, because no timely employee or employer contributions were made until that time.

(c) The period for service credit purchase is the period of eligible service between January 1985 and September 1986, as determined by the executive director of the public employees retirement association based on satisfactory evidence of the eligible person's employment status.

Subd. 2. [ELIGIBILITY; EVELETH FIREFIGHTER.] *(a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, a person described in paragraph (b) is entitled to purchase credit for the period of prior uncredited service specified in paragraph (c) from the public employees police and fire fund by paying the amount specified in subdivision 4.*

(b) A person eligible under paragraph (a) is a member of the public employees police and fire plan who:

(1) was born on June 5, 1935;

(2) was initially employed as a firefighter by the city of Eveleth on August 20, 1970; and

(3) is currently employed as a firefighter by the city of Eveleth.

(c) The period of prior service available for purchase under this section is a period equivalent to one year and eleven months originally covered under the Eveleth fire relief association, for which the individual did not receive service credit in the public employees police and fire fund when the Eveleth fire relief association terminated and coverage was transferred to the public employees police and fire fund under Laws 1977, chapter 61.

Subd. 3. [ELIGIBILITY; STILLWATER FIRE CHIEF.] *(a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, a person described in paragraph (b) is entitled to purchase credit for the period of prior uncredited service specified in paragraph (c) from the public employees police and fire fund by paying the amount specified in subdivision 4.*

(b) A person eligible under paragraph (a) is a person who:

(1) was born on February 7, 1944;

(2) was initially employed as a firefighter by the city of Stillwater on August 7, 1965; and

(3) is currently employed as fire chief by the city of Stillwater.

(c) The period of prior service available for purchase under this section is a period of five months in 1965 during which no member or employer contributions to the public employees police and fire fund were made.

Subd. 4. [PURCHASE PAYMENT AMOUNT.] *(a) To purchase credit for prior service under this section, there must be paid to the public employees retirement association or the public employees police and fire fund, whichever applies, an amount equal to the present value, on the date of*

payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate for the association specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund or association. The calculation must assume continuous future service in the fund or association until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the applicable salary increase rate for the fund or association specified in Minnesota Statutes, section 356.215, subdivision 4d. The member must establish in the records of the fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the public employees retirement association.

(b) Payment must be made in one lump sum.

(c) Payment of the amount calculated under this subdivision must be made by the member. However, the current or former governmental subdivision employer of the member may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. [ELIGIBILITY FOR REFUND.]

Subdivision 1. [ELIGIBILITY.] *Notwithstanding the requirements of Minnesota Statutes, section 353.34, subdivision 7, or other law to the contrary, a member of the public employees retirement association who was born on December 23, 1950, who is a Hennepin county employee on a sick leave of absence first reported to the public employees retirement association on June 19, 1991, may immediately elect to receive a refund of employee contributions as provided in section 353.34, subdivision 2.*

Subd. 2. [SERVICE CREDIT LIMITATION.] *Allowable service under Minnesota Statutes section 353.01, subdivision 16, clause (d), for the individual described in subdivision 1 ends one year from the beginning of the sick leave or on the date of the refund, whichever is earlier.*

Sec. 3. [APPLICABILITY OF CERTAIN PRIOR LAW CHANGES.]

(a) A person with service under Minnesota Statutes, chapter 3A, after June 2, 1989, who did not receive credit for a period of service between January 6, 1981, and June 2, 1989, by virtue of the limitation previously contained in the final paragraph of Minnesota Statutes, section 3A.02, subdivision 1, is entitled to receive credit for any period of uncredited service as a result of the limitation upon payment of the amount specified in paragraph (b).

(b) The additional service credit payment amount is an amount equal to nine percent of the salary of the person with service uncredited under Minnesota Statutes, chapter 3A, during the period of uncredited service, plus interest at an annual rate of six percent, compounded annually, from

the midpoint of the period of uncredited service to the date of payment. Payment must be made by January 1, 1994, or the date of retirement, whichever is earlier.

Sec. 4. [SHOREWOOD COUNCIL MEMBERS: TERMINATION OF PARTICIPATION: REFUND OF CONTRIBUTIONS.]

Notwithstanding the prohibition on revocation in Minnesota Statutes, section 353D.02, any member of the Shorewood city council on the effective date of this section who has elected coverage under the public employees defined contribution plan may elect to revoke participation in the plan. The revocation election must be made on or before January 1, 1994. Revocation is effective on receipt of notice by the public employees retirement association, and employee contributions must be returned to the council member. The remaining value of the former participant's account, if any, become property of the association.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective the day following final enactment. Section 3 is effective the day following final enactment and applies to any person described in section 3, paragraph (a), including persons on deferred retirement status.

ARTICLE 5

FIRST CLASS CITY TEACHER RETIREMENT FUND ASSOCIATIONS EMPLOYER CONTRIBUTION RATE INCREASE

Section 1. Minnesota Statutes 1990, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [~~EMPLOYER CONTRIBUTIONS~~ *RETIREMENT CONTRIBUTION LEVY DISALLOWED.*] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

Subd. 2a. [EMPLOYER REGULAR AND ADDITIONAL CONTRIBUTION RATES.] *(a)* The employing units shall make the following employer contributions to teachers retirement fund associations:

~~(a)~~ *(1)* for any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

~~(b)~~ *(2)* for any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a *regular employer* contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	~~5.79~~ *4.50* percent
Minneapolis teachers retirement	

fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent;

~~(c)~~ *(3)* for any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a *regular employer* contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	~~13.35~~ *8.50* percent
St. Paul teachers retirement fund association	~~12.63~~ *8.00* percent

(4) for a basic member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the designated percentage of the salary of the basic member, as provided below:

Minneapolis teachers retirement fund association	*4.85 percent*
St. Paul teachers retirement fund association	*4.63 percent*

(5) for a coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall make an additional employer contribution to the respective fund in an amount equal to the applicable percentage of the coordinated member's salary, as provided below:

Duluth teachers retirement fund association	*1.29 percent*
Minneapolis teachers retirement fund association	
July 1, 1992 - June 30, 1993	*0.00 percent*
July 1, 1993, and thereafter	*1.00 percent*
St. Paul teachers retirement fund association	
July 1, 1992 - June 30, 1993	*0.00 percent*
July 1, 1993, and thereafter	*1.00 percent*

(b) For basic members of the Minneapolis teachers retirement fund association who retire on or after July 1, 1993, the employing unit shall continue to make an additional employer contribution to the retirement fund in an amount equal to the average salary of the employing unit's basic members multiplied by the relevant percentages in paragraph (a), clause (4).

(c) The *regular and additional* employer contributions ~~shall~~ *must* be remitted directly to ~~each~~ *the respective* teachers retirement fund association each month.

(d) Payments *of regular and additional employer contributions* for school district or technical college employees who are paid from normal operating funds~~,~~ ~~shall~~ *must* be made from the appropriate fund of the district or technical college.

Subd. 2b. [REPORT ON CONTRIBUTION INSUFFICIENCIES.] *By January 1 of each year, the executive secretary or director of each first class city teachers retirement fund association shall report to the chair of the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the additional employer contribution rates then in effect and the sufficiency of the total statutory support when compared to the total required contributions determined under Minnesota Statutes, section 356.215.*

Sec. 2. [FIRST CLASS CITY SCHOOL DISTRICTS: REPORT ON ADDITIONAL STATE AID NEEDS.]

(a) By January 1, annually, until January 1, 1997, the superintendents of special school district No. 1 and independent school district No. 625 shall report on their districts' additional educational revenue needs attributable to the increased employer contribution rate requirements set forth in section 1.

(b) The report required in paragraph (a) must be submitted to the chairs of the following committees or divisions:

(1) education committee, house of representatives,

(2) education finance division of the education committee, house of representatives;

(3) education committee, senate; and

(4) education funding division of the education committee, senate.

(c) Following receipt of the report, the divisions and committees specified in paragraph (b) shall review the indicated additional educational revenue needs and shall indicate their recommendations on increased educational revenue to the applicable school districts in the form of appropriate legislation.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on July 1, 1992.

ARTICLE 6

FIRST CLASS CITY TEACHERS

ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1990, section 354A.011, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] "Allowable service" means any service rendered by a ~~member~~ *teacher* during a period in which the ~~member~~ *teacher* receives salary from which employee contribution salary deductions are made to and credited by the teachers retirement fund association or any service rendered by a person during any period where assessments or payments in lieu of salary deductions were made if authorized by any law or provision of the association's articles of incorporation or bylaws then in effect or pursuant to section 354A.091, 354A.092, 354A.093, or 354A.094.

Sec. 2. Minnesota Statutes 1990, section 354A.011, subdivision 8, is amended to read:

Subd. 8. [BASIC MEMBER.] "Basic member" means any member of

the teachers retirement fund association who is ~~covered by the basic program of the association due to the fact that the member is~~ not covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare ~~making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers covered by the association~~.

Sec. 3. Minnesota Statutes 1990, section 354A.011, subdivision 11, is amended to read:

Subd. 11. [COORDINATED MEMBER.] "Coordinated member" means any member of the teachers retirement fund association who is ~~covered by the coordinated program of the association due to the fact that the member is~~ covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare making the provisions of the federal old age, survivors and disability insurance act applicable to certain teachers ~~covered by the association:~~ except in the case of a member of the Duluth teachers retirement fund association, in which it means additionally that the member either first became a member prior to July 1, 1981, and elected to be covered by the new law coordinated program of the Duluth teachers retirement fund association or first became a member on or subsequent to July 1, 1981.

Sec. 4. Minnesota Statutes 1990, section 354A.011, subdivision 12, is amended to read:

Subd. 12. [COORDINATED SERVICE.] "Coordinated service" means the *allowable* service credited by the respective teachers retirement fund association for which the member was covered by the coordinated program of the association.

Sec. 5. Minnesota Statutes 1990, section 354A.011, subdivision 13, is amended to read:

Subd. 13. [DESIGNATED BENEFICIARY.] "Designated beneficiary" means the person designated by a member *or retiree* of a teachers retirement fund association ~~to be entitled~~ to receive the ~~balance of the accumulated member contributions to the credit of the member in the event of the member's death. or if no person has been designated by the member or if the designated beneficiary predeceases the member, the estate of the deceased member~~ *benefits to which a beneficiary is entitled under this chapter. A beneficiary designation is valid only if it is made on an appropriate form provided by the executive director and the properly completed form is received by the fund postmarked on or before the date of death of the retiree or member. If a retiree or member does not designate such a person or if the person designated predeceases the retiree or member, beneficiary in such cases means the estate of the deceased retiree or member.*

Sec. 6. Minnesota Statutes 1990, section 354A.011, subdivision 15, is amended to read:

Subd. 15. [MEMBER.] "Member" for purposes of entitlement to annuities or benefits pursuant to sections 354A.31 to 354A.41 and any other applicable provisions of this chapter means every teacher who ~~joins and~~ *is engaged in teaching service and who under section 354A.05* contributes to the respective teachers retirement fund association *and* who has not retired ~~or terminated teaching service~~. "Member" for purposes of determining who may participate in the organization and governance of the teachers retirement fund association, including the eligibility to elect members of and to serve

as a member of the board of trustees, means every teacher who joins and contributes to the respective teachers retirement fund association and any other person designated as a member by the articles of incorporation or the bylaws of the respective teachers retirement fund association.

Sec. 7. Minnesota Statutes 1990, section 354A.011, subdivision 21, is amended to read:

Subd. 21. [RETIREMENT.] "Retirement" means the time after the date of cessation of active teaching service by a teacher who is thereafter entitled to an accrued retirement annuity commencing as designated by the board of trustees and payable pursuant to an application for an annuity filed with the board ~~under~~. The applicable provisions of law, articles of incorporation and bylaws in effect on ~~that date, which shall~~ *the date of cessation of active teaching service* thereafter determine the rights of the person.

Sec. 8. Minnesota Statutes 1990, section 354A.011, subdivision 24, is amended to read:

Subd. 24. [SALARY.] "Salary" or "covered salary" means the entire compensation paid to a ~~member~~ *teacher* excluding any lump sum annual leave or sick leave payments and all forms of severance payments, even if a portion of the compensation is paid from other than public funds.

Sec. 9. Minnesota Statutes 1991 Supplement, section 354A.011, subdivision 26, is amended to read:

Subd. 26. [SPOUSE.] "Spouse" means the person who was legally married to ~~and living with~~ the member immediately prior to the member's death.

Sec. 10. Minnesota Statutes 1990, section 354A.011, subdivision 27, is amended to read:

Subd. 27. [TEACHER.] "Teacher" means any person who renders service in a public school district located in the corporate limits of one of the cities of the first class which was so classified on January 1, 1979, as any of the following:

(a) a full time employee in a position for which a valid license from the state board of education is required;

(b) an employee of the teachers retirement fund association located in the city of the first class unless the employee has exercised the option pursuant to Laws 1955, chapter 10, section 1, to retain membership in the Minneapolis employees retirement fund established pursuant to chapter 422A;

(c) a part time employee in a position for which a valid license from the state board of education is required; *or*

(d) a part-time employee in a position for which a valid license from the state board of education is required who also renders other nonteaching services for the school district unless the board of trustees of the teachers retirement fund association determines that the combined employment is on the whole so substantially dissimilar to teaching service that the service shall not be covered by the association.

The term shall not mean any person who renders service in the school district as any of the following:

(1) an independent contractor or the employee of an independent contractor;

(2) ~~for the Duluth and St. Paul teachers retirement fund associations, and for the Minneapolis teachers retirement fund association, unless the person is designated by the board of education of special school district number 1 pursuant to section 356.451 as a provisional member of the teachers retirement fund association, a person employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal Comprehensive Employment and Training Act from and after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment, sufficient service credit in the teachers retirement fund association to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing to make the required employer contributions, including any employer additional contributions, in addition to the required employee or member contributions;~~

~~(3)~~ an employee who is a full-time teacher covered by another teachers retirement fund association established pursuant to this chapter *or chapter 354*;

~~(4)~~ *(3)* an employee holding a part-time adult supplementary technical college license who renders part-time teaching service in a technical college if (1) the service is incidental to the regular nonteaching occupation of the person; and (2) the applicable technical college stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year; and (3) the part-time teaching service actually does not exceed 300 hours in a fiscal year; or

~~(5)~~ *(4)* an employee exempt from licensure pursuant to section 125.031.

Sec. 11. Minnesota Statutes 1990, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] The trustees or directors of each teachers retirement fund association shall administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, of the bylaws, and of ~~chapter~~ *chapters 356 and* 356A. The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 12. Minnesota Statutes 1990, section 354A.05, is amended to read:

354A.05 [MEMBERSHIP IN A TEACHERS RETIREMENT ASSOCIATION IN A CITY OF THE FIRST CLASS.]

~~Only~~ Teachers contributing to the respective teachers retirement fund association, as provided in this chapter and the articles of incorporation and *the* bylaws of the association, ~~shall be~~ *are* entitled to the benefit of coverage by or entitlement to annuities or benefits from the association. All teachers in a city of the first class in which there exists a teachers retirement fund association ~~shall be entitled to be~~ *are* members of that teachers retirement fund association and ~~to~~ participate in the benefits provided by the special retirement fund.

Sec. 13. Minnesota Statutes 1990, section 354A.08, is amended to read:

354A.08 [AUTHORIZED INVESTMENTS.]

~~Any~~ *A* teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the acquisition was by ~~gift,~~ purchase, or any other lawful means, as provided in this chapter or in the association's articles of incorporation. In addition to other authorized real estate investments, an association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust.

Sec. 14. Minnesota Statutes 1990, section 354A.096, is amended to read:

354A.096 [MEDICAL LEAVE.]

Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2, as applied to the member's average full-time monthly salary rate on the date ~~of return from~~ the leave of absence *commenced* plus annual interest at the rate of 8.5 percent per year from the ~~midpoint date of~~ *end of the fiscal year during which* the leave ~~until the date of payment~~ *terminates to the end of the month during which payment is made*. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

Sec. 15. Minnesota Statutes 1990, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the secretary of health and human services under ~~the provisions of~~ United States Code, title 42, section 403. The amount of the reduction must be ~~one-half~~ *one-third* the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from

the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.

Sec. 16. Minnesota Statutes 1990, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit ~~shall be~~ *is* an amount equal to the normal coordinated retirement annuity computed ~~pursuant to~~ *under* section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to the attainment of normal retirement age or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. ~~The disabled coordinated member shall not be entitled to elect an optional annuity form pursuant to section 354A.32 prior to attaining normal retirement age as provided in subdivision 10.~~

Sec. 17. Minnesota Statutes 1990, section 354A.38, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF REFUND REPAYMENT AMOUNT.] If the coordinated member elects to repay a refund ~~pursuant to~~ *under* subdivision 2, the repayment to the fund ~~shall~~ *must* be in an amount equal to refunds ~~which~~ the member has accepted plus interest at the rate of ~~six~~ *8-1/2* percent compounded annually from the date that the refund was accepted to the date that the refund is repaid.

Sec. 18. [FIRST CLASS CITY TEACHERS PLANS; RETIREE RESUMING SERVICE.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, and the Duluth teachers retirement fund association may amend the articles of incorporation or bylaws of the respective association. This authorization is to provide that any person who is retired and receiving a basic program formula retirement annuity under the articles of incorporation or bylaws of the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, or any person who is retired and receiving an old law coordinated program formula retirement annuity under the articles of incorporation or bylaws of the Duluth retirement fund association, and who has resumed teaching service for the school district covered by that same retirement fund association, is entitled to continue to receive retirement annuity payments. However, the annuity payments must be reduced in accordance with Minnesota Statutes, section 354A.31, subdivision 3, if the person's income from teaching service is an amount greater than the maximum earnings allowable for that age for the

continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403.

Sec. 19. [MINNEAPOLIS RESERVE TEACHERS: EXCLUSION OF PRIOR SERVICE.]

A reserve teacher providing service to special school district No. 1 prior to July 1, 1988, for whom contributions were not made to the Minneapolis teachers retirement fund association is not eligible to receive service credit for the period or periods of omitted contributions, unless service credit has previously been granted for the period or periods. On or after July 1, 1992, reserve teachers meeting the definition of a teacher as defined under Minnesota Statutes, section 354A.011, subdivision 27, and providing service to special school district No. 1 must become members and contributions must be deducted as required by Minnesota Statutes, section 354A.12.

Sec. 20. [OMITTED CONTRIBUTION REIMBURSEMENT; MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION AND SPECIAL SCHOOL DISTRICT NO. 1.]

Subdivision 1. [REIMBURSEMENT AUTHORIZATION.] *Special school district No. 1 is authorized to be reimbursed for a portion of contributions certified by the executive director of the Minneapolis teachers retirement fund association to the commissioner of finance under Laws 1991, chapter 317, sections 3 and 6, if the omitted contributions occurred during the period of July 1, 1988, to July 1, 1991, and were certified to the commissioner of finance before January 31, 1992.*

Subd. 2. [TEACHER NOTIFICATION.] *The executive director of the Minneapolis teachers retirement fund association and the school board must jointly notify in writing teachers with omitted contributions, identified in subdivision 1, of their option to make payment of omitted employee contributions without interest.*

Subd. 3. [PAYMENT PROCEDURE.] *If an individual notified under subdivision 2 elects to make payment, the full amount must be remitted to the association in a lump sum within 60 days of notification, or the individual may elect to make payment through a payroll deduction. If the individual chooses to make payment through a payroll deduction, that option must be selected within 60 days of notification. The payroll deduction period may not exceed one year. The employing unit must transmit amounts withheld through payroll deductions to the association along with normal payroll contributions.*

Subd. 4. [SCHOOL DISTRICT REIMBURSEMENT.] *On a quarterly basis, the executive director of the association will determine the amounts received by the association under subdivision 3 through direct lump-sum payments and payroll deductions. The employing unit will be notified of these amounts received by the association, and the employing unit may withhold an equivalent amount from subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2.*

Subd. 5. [EFFECT OF TEACHER NONPAYMENT.] *(a) If a teacher notified under subdivision 2 does not elect to make payments under subdivision 3, or if full payment is not received within the required time limits, the teacher is not entitled to the service credit for the period of omitted contributions identified in subdivision 1, or for any earlier period, and the teacher forfeits any option to purchase that service credit at a later date.*

(b) For individuals identified in paragraph (a), the association must determine an amount equivalent to the omitted employee contribution, without interest, for the period specified in subdivision 1. This amount must be applied by the employer against subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2.

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 must 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) apply to a basic member who applies for a

disability benefit after the effective date of the amendments. Paragraphs (c) to (f) 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.

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 17 is effective May 1, 1994. Sections 1 to 16 and 18 to 22 are effective the day following final enactment.

ARTICLE 7

CORRECTION OF PRIOR ENACTMENTS

Section 1. Minnesota Statutes 1990, section 353A.07, subdivision 3, as amended by Laws 1992, chapter 432, article 2, section 30, is amended to read:

Subd. 3. [TRANSFER OF ASSETS.] On the effective date of consolidation, the chief administrative officer of the relief association shall transfer the entire assets of the special fund of the relief association to the public employees retirement association. The transfer must include any investment securities of the consolidation account which are not determined to be ineligible or inappropriate by the executive director of the state board under section 353A.05, subdivision 2, at the market value of the investment security as of the effective date of the consolidation. The transfer must include any accounts receivable determined by the executive director of the state board as capable of being collected. The transfer must also include an amount, in cash, representing any remaining investment security or other asset of the consolidation account which was liquidated, after defraying any accounts payable.

As of the effective date of consolidation, subject to the authority of the state board, the board of trustees of the public employee retirement association has legal title to and management responsibility for any transferred assets as trustees for any person having a beneficial interest arising out of benefit coverage provided by the relief association. The public employees retirement association is the successor in interest for all claims for and against the consolidation account or the municipality with respect to the consolidation account of the relief association. ~~In~~, *except* a claim against the relief association or the municipality or any person connected with the relief association or the municipality in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of the obligation of the person as a fiduciary. As a successor in interest, the public employees retirement association may assert any applicable defense in any judicial proceeding which the board of the relief association or the municipality would have otherwise been entitled to assert.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "various

retirement plans;"

Page 1, delete line 3

Page 1, line 4, delete "teachers retirement association;"

Page 1, line 6, after the semicolon, insert "authorizing purchases of prior service credit; increasing the employer contribution rate for certain first class city teacher retirement fund association coordinated programs; making various changes in administrative provisions of laws governing the first class city teachers retirement fund associations; providing authority for the Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members;"

Page 1, line 12, after "2;" insert "353A.07, subdivision 3, as amended;"

Page 1, line 14, before "and" insert "354A.011, subdivisions 4, 8, 11, 12, 13, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.12, subdivision 2; 354A.31, subdivision 3; 354A.36, subdivision 3; 354A.38, subdivision 3;"

Page 1, line 17, delete the second "and"

Page 1, line 18, before the period, insert "; and 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3"

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 2025. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Waldorf then moved to amend the Waldorf amendment to H.F. No. 2025 as follows:

Page 2, after line 1, insert:

"*Subd. 2.* [PURCHASE PAYMENT AMOUNT.] *(a) To purchase credit for prior eligible service under subdivision 1, there must be paid to the public employees retirement association an amount equal to the present value on the date of payment, of the amount of the additional retirement annuity obtained by purchase of the additional service credit.*

(b) Calculation of this amount must be made by the executive director of the public employees retirement association using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the coordinated program of the retirement association. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the salary increase rate specified in section 356.215, subdivision 4d.

(c) The eligible person must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement association.

(d) The portion of the total cost of the purchase payable by the eligible person is specified in subdivision 3. The remaining portion of total cost is to be paid by the applicable employing unit as specified in subdivision 4.

Subd. 3. [ELIGIBLE PERSON PAYMENT.] *(a) To receive credit for the period of service credit purchase specified in subdivision 1, paragraph (c), the eligible person specified in subdivision 1, paragraph (b), must pay a member contribution equivalent amount.*

(b) The member contribution equivalent amount is an amount equal to four percent of the person's actual salary rate or rates during the period for service credit purchase, plus six percent annually compounded interest from the date on which a member contribution should have been made if membership during the period of service credit purchase had been properly determined to the date on which payment is made. Payment must be made in a lump sum. Authority to make the member contribution equivalent amount expires on September 1, 1992. If the member contribution equivalent amount was tendered by the eligible person before the effective date of this section, no additional contribution amount or interest is payable by the eligible person.

Subd. 4. [MANDATORY EMPLOYING UNIT PAYMENT.] *(a) Within 30 days of the effective date of this section or 60 days of the receipt by the executive director of the public employees retirement association of the payment from the eligible person under subdivision 3, whichever is later, the governmental unit employing the eligible person described in subdivision 1, paragraph (b), during the period of service credit purchase described in subdivision 1, paragraph (c), shall pay the difference between the amounts specified in subdivisions 2 and 3.*

(b) The mandatory employing unit payment amount is payable by the governmental unit in a lump sum.

Subd. 5. [SERVICE CREDIT GRANT.] *Service credit for the purchase period must be granted to the account of the eligible person upon receipt of the purchase payment amount specified in subdivision 2."*

Page 7, line 16, after "*association*" insert "*and the St. Paul teachers retirement fund association*"

Renumber the subdivisions in sequence and correct the internal references

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

Mr. Pogemiller moved to amend the first Waldorf amendment to H.F. No. 2025 as follows:

Page 7, line 16, delete "*1993*" and insert "*1994*"

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Ranum moved that the following members be excused for a Conference Committee on H.F. No. 2181 from 11:00 a.m. to 12:30 p.m.:

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

H.F. No. 2025 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2314: Messrs. Kroening, Pogemiller and Ms. Flynn.

S.F. No. 1993: Ms. Flynn, Messrs. DeCramer and Frank.

S.F. No. 2199: Messrs. Merriam, Morse and Ms. Olson.

H.F. No. 1681: Messrs. Solon, Spear and Belanger.

H.F. No. 2280: Messrs. Dicklich; Johnson, D.J. and Gustafson.

H.F. No. 2030: Messrs. Chmielewski, Kroening and Gustafson.

S.F. No. 81: Messrs. Hottinger, Frank and Knaak.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2107. The motion prevailed.

S.F. No. 1722 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1722

A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1722, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1722 be further amended as follows:

Page 1, after line 24, insert:

"Sec. 2. [CITY OF MINNEAPOLIS; RESIDENCY REQUIREMENTS.]

Notwithstanding Minnesota Statutes, section 415.16, or any other law, home rule charter, ordinance, resolution, or rule to the contrary, the city of Minneapolis may require residency within the city's territorial limits as a condition of employment by the city. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 3. [SPECIAL SCHOOL DISTRICT NO. 1; RESIDENCY REQUIREMENTS.]

Special school district No. 1 may require residency within the school district's territorial limits as a condition of employment by the school district. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 4. [CITY LIBRARY BOARD; RESIDENCY REQUIREMENTS.]

The library board of the city of Minneapolis may require residency within the territorial limits of the city of Minneapolis as a condition of employment by the board. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 5. [CITY PARK AND RECREATION BOARD; RESIDENCY REQUIREMENTS.]

The park and recreation board of the city of Minneapolis may require residency within the territorial limits of the city of Minneapolis as a condition of employment by the board. The residency requirement may apply only to persons hired after the date the requirement is imposed.

Sec. 6. [LOCAL APPROVAL.]

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

Section 3 takes effect the day after the governing body of special school district No. 1 complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 4 takes effect the day after the governing body of the library

board of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 5 takes effect the day after the governing body of the park and recreation board of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; providing for the release of a state interest in certain property in the city of Minneapolis; authorizing the city of Minneapolis, special school district No. 1, the Minneapolis library board, and the Minneapolis park and recreation board to impose residency requirements as a condition of employment."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Jim Gustafson

House Conferees: (Signed) Richard H. Jefferson, John J. Sarna, Ben Boo

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1722 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Ms. Traub moved that the recommendations and Conference Committee Report on S.F. No. 1722 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

CALL OF THE SENATE

Mr. Dahl imposed a call of the Senate for the balance of the proceedings on S.F. No. 1722. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Ms. Traub.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 37 and nays 22, as follows:

Those who voted in the affirmative were:

Belanger	Finn	Knaak	Metzen	Renneke
Benson, D.D.	Frank	Laidig	Mondale	Riveness
Benson, J.E.	Frederickson, D.R.	Larson	Morse	Sams
Berg	Halberg	Lessard	Neuville	Terwilliger
Bernhagen	Hughes	Luther	Novak	Traub
Bertram	Johnson, D.E.	Marty	Pariseau	
Davis	Johnson, J.B.	McGowan	Price	
Day	Johnston	Mehrkens	Reichgott	

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Pappas	Stumpf
Beckman	Dicklich	Kelly	Piper	Vickerman
Berglin	Flynn	Kroening	Ranum	
Cohen	Frederickson, D.J.	Langseth	Samuelson	
Dahl	Gustafson	Moe, R.D.	Spear	

The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 2194 from 11:00 a.m. to 12:30 p.m.:

Messrs. Frederickson, D.R.; Waldorf and Ms. Reichgott. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 2199 at 11:00 a.m.:

Messrs. Merriam, Morse and Ms. Olson. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1701 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1701: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

Mr. DeCramer moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 169.67, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES.] Every motor vehicle, other than a motorcycle, when operated upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels. *The requirement in this subdivision for separate braking systems does not apply to a commercial motor vehicle described in section 169.781, subdivision 5, paragraph (d).*

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the

vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than $2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, *or (3) a building mover vehicle* must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), *or (3)* is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer then moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2b. [RESTRICTED COMMERCIAL DRIVERS' LICENSES.] *(a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation entitled "waiver for farm-related service industries" as published in the Federal Register, April 17, 1992:*

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 to 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the administrative procedure act."

Page 4, after line 1, insert:

"Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must

be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, *and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle*. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 1990, section 168.012, is amended by adding a subdivision to read:

Subd. 12. [FEES CREDITED TO HIGHWAY USER FUND.] *Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 168.041, is amended by adding a subdivision to read:

Subd. 11. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 4. Minnesota Statutes 1990, section 168.042, is amended by adding a subdivision to read:

Subd. 15. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 5. Minnesota Statutes 1990, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio

station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of $10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If owning or jointly owning more than one motor vehicle of the type specified in this subdivision, the applicant may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable rules governing the use of the special license plates as will assure the full compliance by the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof.

Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of $5. ~~The fee must be paid into the state treasury and credited to the highway user tax distribution fund.~~ The registrar must be notified of the transfer and may prescribe a form for the notification.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee ~~of $2 for a~~ *that is calculated to cover the cost of manufacturing and issuing the* license plate ~~for a motorcycle, motorized bicycle, or motorized sidecar, and $2 for license~~ *or* plates, ~~other than~~ *except for license plates issued to disabled veterans as defined in section 168.031 and* license plates issued pursuant to section *168.124 or* 168.27, subdivisions 16 and 17, for passenger automobiles. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1990, section 168.128, is amended by adding a subdivision to read:

Subd. 4. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected*

from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may.~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, *the commissioner may* issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of $15.

Sec. 9. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17, subdivision 9a.~~ *3* is delinquent in either ~~the~~ filing or ~~payment of~~ *paying* the international fuel tax agreement reports for more than 30 days, or ~~the payment of~~ *paying* the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 10. Minnesota Statutes 1990, section 168.29, is amended to read:

168.29 [~~DUPLICATE~~ *REPLACEMENT* PLATES.]

In the event of the defacement, loss or destruction of any number plates *or validation stickers*, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates *or validation stickers*, together with any defaced plates *or stickers* and the payment of ~~the~~ *a* fee ~~of $5~~ *calculated to cover the cost of replacement*, shall issue a new set of plates~~, except for duplicate personalized license plates provided for in section 168.12, subdivision 2a. The registrar shall impose a fee to replace personalized plates not to exceed the actual cost of producing the plates~~ *or stickers*.

The registrar shall then note on the registrar's records the issue of ~~such~~ new number plates and shall proceed in such manner as the registrar may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle.

Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a $1 fee.

Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of

birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, *or to a physically disabled person, as defined in section 169.345, subdivision 2,* is 50 cents."

Page 3, after line 34, insert:

"Sec. 16. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] *The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.*

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] *An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.*

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] *Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.*

Subd. 4. [EXCHANGES OF INFORMATION.] *The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.*

Subd. 5. [BASE STATE FUEL COMPACT.] *The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.*

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] *Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.*

Subd. 7. [DELINQUENT FILING OR PAYMENT.] *If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.*

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] *If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.*

Subd. 9. [FUEL COMPACT FEES.] *License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the highway user tax distribution fund. The commissioner shall charge the fuel license fee of $30 established under section 296.17, subdivision 10, in annual installments of $15 and an annual application filing fee of $13 for quarterly reporting of fuel tax.*

Subd. 10. [FUEL DECAL FEES.] *The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund."*

Page 3, line 36, delete "*section*" and insert "*sections*" and delete ", *is*" and insert "*; and 296.17, subdivision 9a, are*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name

and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a $25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

The following cars built between and including 1925 and 1948 are classic:

A.C.	
Adler	
Alfa Romeo	
Alvis	Speed 20, 25, and 4.3 litre.
Amilcar	
Aston Martin	
Auburn	All 8-cylinder and 12-cylinder models.
Audi	
Austro-Daimler	
Avions Voisin 12	
Bentley	
Blackhawk	
B.M.W.	Models 327, 328, and 335 only.
Brewster (Heart-front Ford)	
Bugatti	
Buick	1931 through 1942: series 90 only.
Cadillac	All 1925 through 1935.
	All 12's and 16's.
	1936-1948: Series *63*, *65*, 67, 70, 72, 75, 80, 85 and 90 only.
	~~1938-1941~~ *1938-1947*: 60 special only.
	1940-1947: All 62 Series.

Chrysler	1926 through 1930: Imperial 80.
	1929: Imperial L.
	~~1931: Imperial 8 Series CG.~~
	~~1932: Series CG. CH and CL.~~
	~~1933: Series CL.~~
	~~1934: Series CW.~~
	~~1935: Series CW.~~
	1931 through 1937: Imperial Series CG, CH, CL, and CW.
	All Newports and Thunderbolts.
	1934 CX.
	1935 C-3.
	1936 C-11.
	1937 through 1948: Custom Imperial, Crown Imperial Series C-15, C-20, C-24, C-27, C-33, C-37, and C-40.
Cord	
Cunningham	
Dagmar	Model 25-70 only.
Daimler	
Delage	
Delahaye	
Doble	
Dorris	
Duesenberg	
du Pont	
Franklin	All models except 1933-34 Olympic Sixes.
Frazer Nash	
Graham	*1930-1931: Series 137.*
Graham-Paige	*1929-1930: Series 837.*
Hispano Suiza	
Horch	
Hotchkiss	
Invicta	
Isotta Fraschini	
Jaguar	
Jordan	Speedway Series 'Z' only.

Kissel	1925, 1926 and 1927: Model 8-75.
	1928: Model 8-90, and 8-90 White Eagle.
	1929: Model 8-126, and 8-90 White Eagle.
	1930: Model 8-126.
	1931: Model 8-126.
Lagonda	
Lancia	
La Salle	1927 through 1933 only.
Lincoln	All models K, L, KA, and KB.
	1941: Model 168H.
	1942: Model 268H.
Lincoln Continental	1939 through 1948.
Locomobile	All models 48 and 90.
	1927: Model 8-80.
	1928: Model 8-80.
	1929: Models 8-80 and 8-88.
Marmon	All 16-cylinder models.
	1925: Model 74.
	1926: Model 74.
	1927: Model 75.
	1928: Model E75.
	1930: Big 8 model.
	1931: Model 88, and Big 8.
Maybach	
McFarlan	
Mercedes Benz	All models 2.2 litres and up.
Mercer	
M.G.	6-cylinder models only.
Minerva	
Nash	*1931: Series 8-90.*
	1932: Series 9-90, Advanced 8, and Ambassador 8.
	1933-1934: Ambassador 8.

Packard	1925 through 1934: All models.
	1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only.
	1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69.
	1930-1931: Custom 8.
	1932: Deluxe Custom 8.
Pierce Arrow	
Railton	
Renault	Grand Sport model only.
Reo	1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8.
	1933: Royale Custom 8.
Revere	
Roamer	1925: Series 8-88, 6-54e, and 4-75.
	1926: Series 4-75e, and 8-88.
	1927-1928: Series 8-88.
	1929: Series 8-88, and 8-125.
	1930: Series 8-125.
Rohr	
Rolls Royce	
Ruxton	
Salmson	
Squire	
Stearns Knight	
Stevens Duryea	
Steyr	
Studebaker	*1929-1933: President, except model 82.*
Stutz	
Sunbeam	
Talbot	
Triumph	*Dolomite 8 and Gloria 6.*
Vauxhall	Series *25-70 and* 30-98 only.
Voisin	

Wills Saint Claire

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The terms used in sections 5 to 10 have the meanings given them in this section and Minnesota Statutes, section 160.02.*

Subd. 2. [BOT FACILITY.] *"BOT facility" means a build-operate-transfer toll facility constructed, improved, or rehabilitated and operated by a private operator that holds title to the facility subject to a development agreement that provides that title will be transferred to the road authority on expiration of an agreed term.*

Subd. 3. [BTO FACILITY.] *"BTO facility" means a build-transfer-operate toll facility constructed, improved, or rehabilitated by a private operator who: (1) transfers any interest it may have in the toll facility to the road authority before operation begins; and (2) operates the toll facility for an agreed term under a lease, management, or toll concession agreement.*

Subd. 4. [COMMISSIONER.] *"Commissioner" means the commissioner of transportation.*

Subd. 5. [DEVELOPMENT AGREEMENT.] *"Development agreement" means a written agreement between a road authority and a private operator that provides for the construction, improvement, rehabilitation, ownership, and operation of a toll facility.*

Subd. 6. [PRIVATE OPERATOR.] *"Private operator" means an individual, a corporation, a partnership, a cooperative or unincorporated association, a joint venture, or a consortium that constructs, improves, rehabilitates, owns, leases, operates, or manages a toll facility subject to sections 5 to 10.*

Subd. 7. [ROAD AUTHORITY.] *"Road authority" has the meaning given it in Minnesota Statutes, section 160.02, subdivision 9, and also refers to a joint powers authority formed under section 10.*

Subd. 8. [TOLL FACILITY.] *"Toll facility" means a bridge, causeway, or tunnel, and its approaches; a road, street, or highway; an appurtenant building, structure, or other improvement; land lying within applicable rights-of-way; and other appurtenant rights or hereditaments that together comprise a project for which a private operator is authorized to operate and impose tolls under sections 5 to 10.*

Sec. 6. [AUTHORITY.]

Subdivision 1. [ROAD AUTHORITY.] *A road authority may solicit or accept proposals from and enter into development agreements with private*

operators for constructing, improving, rehabilitating, operating, and managing toll facilities wholly or partly within the road authority's jurisdiction. A road authority soliciting toll facility proposals must publish a notice of solicitation in the State Register.

Subd. 2. [PRIVATE OPERATORS.] *Private operators are authorized to construct, improve, rehabilitate, own, lease, manage, and operate toll facilities subject to the terms of sections 5 to 10. Private operators may mortgage, grant security interests in, and pledge their interests in: (1) toll facilities and their components; (2) development, lease, toll concessions, and other related agreements; and (3) income, profits, and proceeds of the toll facility.*

Subd. 3. [APPROVAL.] *No road authority and private operator may enter into a development agreement without the prior approval of the commissioner and the governing body of each county and municipality through which the facility is to pass. A road authority and private operator in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, must obtain the council approval required in Minnesota Statutes, section 473.167, subdivision 1.*

Subd. 4. [DEVELOPMENT AGREEMENT.] *(a) A development agreement for toll facilities may provide for any mode of ownership or operation approved by the road authority, including ownership by the private operator without reversion of title, operation of the facilities under leases or management contracts, or BOT or BTO facilities.*

(b) A development agreement may permit the private operator to assemble funds from any available source, including federal, state, and local grants, bond proceeds, contributions, and pledges and to incorporate an existing road or highway, a bridge, and approach structures, and related improvements into the toll facility. The private operator shall pay the road authority the fair market value of any property incorporated into the facility or shall adjust toll charges to the public to reflect the value of the incorporated property.

(c) A development agreement may include grants of title, easements, rights-of-way, and leasehold estates necessary to the toll facility.

(d) A development agreement may authorize the private operator to charge variable rate tolls based on time of day, vehicle characteristics, or other factors approved by the road authority.

(e) A development agreement may include authorization by the road authority to the private operator to exercise powers possessed by the road authority with respect to similar facilities.

Subd. 5. [RIGHT-OF-WAY ACQUISITION.] *A private operator may acquire right-of-way by donation, lease, or purchase. A road authority may acquire right-of-way by eminent domain and may donate, sell, or lease a right-of-way to a private operator.*

Subd. 6. [RESTRICTION.] *No toll facility may be used for any purpose other than the transportation purposes specified in the development agreement for the term of the agreement.*

Subd. 7. [TOLL FACILITY ACQUIRED BY ROAD AUTHORITY.] *A development agreement that requires transfer or reversion of a toll facility to a road authority must provide that the transfer be at no cost to the road authority. The private operator shall establish an escrow account with sufficient funds to ensure that the facility meets applicable construction and*

maintenance standards of the road authority upon reversion.

Subd. 8. [APPLICATION OF OTHER LAW.] *A private operator must obtain all environmental, navigational, design, or safety approvals required if the toll facility were constructed or operated by a road authority.*

Sec. 7. [DEVELOPMENT AGREEMENTS; MANDATORY PROVISIONS.]

A development agreement must include the following provisions:

(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification and must be constructed by contractors on the department's list of eligible contractors.

(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This does not diminish the private operator's responsibility for bridge safety.

(c) The private operator shall manage and operate the toll facility in cooperation with the road authority and subject to the development agreement.

(d) The toll facility is subject to regular inspections by the road authority and the commissioner.

(e) The road authority shall provide maintenance, snow removal, and police services to the toll facility and the private operator shall pay the road authority the cost of services provided.

Sec. 8. [COST RECOVERY.]

Subdivision 1. [USE OF TOLL REVENUES.] *Toll revenues must be applied to repayment of indebtedness incurred for the toll facility; lease or toll concessions payments; costs of operation, administration, rehabilitation, and maintenance necessary to meet applicable standards of the commissioner; and reasonable reserves for future capital outlays. The enumeration of uses in this subdivision does not state priorities for the use of these revenues.*

Subd. 2. [RESIDUAL TOLL REVENUES.] *Residual toll revenues belong to the private operator, except for payments to a road authority under the development agreement or a related toll concession agreement.*

Subd. 3. [CONTINUATION OF TOLLS.] *After expiration of a lease for a BTO facility, or after title has reverted for a BOT facility, the road authority may continue to charge tolls for the facility.*

Subd. 4. [TOLLS PRESCRIBED.] *A road authority may prescribe tolls on a toll facility only if the road authority reasonably determines that no feasible alternative to the toll facility exists to serve the traffic that uses the facility. Tolls prescribed by a road authority for a facility must permit the operator a reasonable return on both investment and capital.*

Sec. 9. [LAW ENFORCEMENT.]

State and local law enforcement authorities have the same powers and authority on a toll facility within their respective jurisdictions as they have on any other highway, road, or street within their jurisdiction. Law enforcement officers have free access to the toll facility at any time to exercise

such powers as though it were a public right-of-way. State and local traffic and motor vehicle laws apply to persons driving or occupying motor vehicles on the toll facility.

Sec. 10. [JOINT AUTHORITY.]

(a) Two or more road authorities with jurisdiction over a toll facility may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to exercise the powers, duties, and functions of the road authorities related to the toll facility, including negotiation and administration of the development agreement and related lease and toll concession agreements. If all road authorities with jurisdiction over a toll facility concur, title to or authority over the facility may be tendered to the commissioner who may accept the title or authority pursuant to the development agreement and this section.

(b) If a facility is located within the jurisdiction of more than one road authority, a road authority may prescribe tolls only under a joint agreement entered into under paragraph (a). Tolls may be prescribed under a joint agreement only if all road authorities with jurisdiction over the facility are parties to the agreement.

Sec. 11. [TOLL FACILITY REPLACEMENT PROJECTS.]

When a highway project in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, has been scheduled in the department's six-year work program but is designated as a toll facility, the commissioner shall substitute in the work program a similar highway project in the metropolitan area.

Sec. 12. [EXPIRATION.]

Sections 5 to 11 expire July 1, 1993, unless the commissioner certifies before July 1, 1993, that a private developer and road authority have reached agreement on development of a toll facility."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Terwilliger moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. Minnesota Statutes 1990, section 270.80, subdivision 1, is amended to read:

Subdivision 1. The following words and phrases when used in Laws 1979, chapter 303, article 7, sections 1 to 13, *and section 6*, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section.

Sec. 6. [270.871] [ALTERNATIVE VALUATION.]

Notwithstanding section 270.84, the valuation of railroad operating property located within the metropolitan area, as defined in section 473.121, subdivision 2, shall be determined according to its highest and best use. In calculating a local government's local tax rate under section 275.08, subdivision 1b, the net tax capacity based upon railroad operating property's estimated value as determined under sections 270.84 to 270.86 shall be

used. However, the resulting tax rate after adjustments under section 275.08, subdivisions 1c and 1d, shall be applied against the railroad operating property's net tax capacity as determined by using the estimated market value provided under this section. The difference between (1) the amount of tax that would have been raised if the railroad operating property's estimated market value was determined under section 270.84, and (2) the amount of tax determined under this section shall be segregated by the auditor of each metropolitan county and remitted to the regional transit board at the time of settlement under sections 276.11 and 276.111. One-half of this amount shall be used by the regional transit board for regular transit service within the metropolitan area and one-half shall be used for special transportation services under section 473.386.

Sec. 7. [REVENUE ADDITIONAL TO APPROPRIATION LIMITATION.]

Revenue derived from the method of taxation required under section 6 is in addition to any other appropriation to the regional transit board to be used to provide special transportation services, and is not subject to the limitation provided in Laws 1991, chapter 233, section 3."

Page 4, after line 1, insert:

"Sec. 9. [EFFECTIVE DATE.]

Section 6 is effective for taxes levied in 1992, payable in 1993 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Beckman	Davis	Johnson, D.J.	Mehrkens	Riveness
Belanger	Day	Johnson, J.B.	Metzen	Sams
Benson, D.D.	DeCramer	Johnston	Moe, R.D.	Spear
Benson, J.E.	Finn	Knaak	Neuville	Terwilliger
Berg	Flynn	Laidig	Novak	Traub
Berglin	Frank	Langseth	Pariseau	Vickerman
Bernhagen	Frederickson, D.J.	Larson	Piper	Waldorf
Bertram	Frederickson, D.R.	Lessard	Price	
Chmielewski	Gustafson	Luther	Ranum	
Cohen	Halberg	Marty	Reichgott	
Dahl	Hottinger	McGowan	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Metzen moved to amend H.F. No. 1701, the unofficial engrossment, as follows:

Page 3, after line 34, insert:

"Sec. 5. [DAKOTA COUNTY; TRANSPORTATION PLANNING.]

The Dakota county regional railroad authority may transfer any available money of the authority generated by local property tax levies and state grants, including money in capital accounts, to Dakota county to be expended to meet other transportation purposes. The commissioner of transportation shall amend any contract with Dakota county providing funds for

light rail transit purposes under Laws 1989, chapter 269, section 2, subdivision 3, to allow the county to use the funds for purposes consistent with this section."

Page 4, after line 1, insert:

"Sec. 7. [EFFECTIVE DATE.]

Section 5 takes effect the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1701 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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. 2368 and that the rules of the Senate be so far suspended as to give H.F. No. 2368, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2368: A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; increasing registration fees for vehicles of motor carriers; assessing penalties; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivisions 1 and 3; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.111; 221.121, subdivisions 1, 4, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11.

Mr. Mehrkens moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 2, line 18, delete "*at*"

Page 2, line 19, delete everything before the comma

Page 2, line 21, before "*place*" insert "*single*" and delete "*under the consignee's control*"

Page 3, line 31, after "*(3)*" insert "*section 221.081; (4) section 221.151; (5)*" and delete "*(4)*" and insert "*(6)*"

Page 3, after line 35, insert:

"Sec. 13. Minnesota Statutes 1990, section 221.036, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) *The commissioner may issue an order assessing a penalty of up to $5,000 for all violations of section 221.021; 221.041, subdivision 3; 221.081; or 221.171, identified during a single inspection, audit, or investigation.*

(b) The commissioner may issue an order assessing a penalty up to a maximum of $10,000 for all violations *of section 221.035* identified during a single inspection or audit.

~~(b)~~ *(c)* In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order."

Pages 8 and 9, delete section 18

Page 13, line 22, after the period, insert "*Evidence of need may consist of a letter from a consignor attesting to need for the proposed service and intent to use the proposed service.*"

Page 13, line 23, delete the second "*the*"

Page 13, line 24, before "*application*" insert "*an approved*"

Page 13, line 25, delete "*the date of*" and insert "*receipt of the application from the commissioner*"

Page 13, line 26, delete everything before "*constitutes*"

Pages 15 to 17, delete section 30

Pages 19 and 20, delete section 34

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens then moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 19, after line 25, insert:

"*(e) A permit holder that received its permit less than 24 months prior to the effective date of this act shall be authorized by the board to operate for a period of up to 24 months or December 31, 1993, whichever occurs first. Prior to January 1, 1994, the permit holder shall follow the procedures for conversion of permits contained in section 32. The board shall extend the permit up to June 30, 1994, as required to convert the permit.*"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 2368, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2665.)

Page 12, line 20, after the period, insert "*Clause (1) does not apply to a class II permit holder who on March 1, 1992, utilized a local cartage carrier and maintained its terminal in Minnesota more than 150 miles from the cities of Minneapolis and St. Paul.*"

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

H.F. No. 2368 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 48 and nays 10, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kroening	Neuville	Sams
Belanger	Flynn	Langseth	Pappas	Samuelson
Benson, D.D.	Frederickson, D.J.	Larson	Pariseau	Solon
Benson, J.E.	Frederickson, D.R.	Lessard	Piper	Spear
Berg	Halberg	Luther	Pogemiller	Terwilliger
Berglin	Hottinger	Marty	Price	Traub
Bernhagen	Johnson, D.E.	McGowan	Ranum	Vickerman
Bertram	Johnson, D.J.	Mehrkens	Reichgott	Waldorf
Chmielewski	Johnson, J.B.	Metzen	Renneke	
Davis	Kelly	Mondale	Riveness	

Those who voted in the negative were:

Cohen	Day	Finn	Johnston	Moe, R.D.
Dahl	Dicklich	Frank	Knaak	Novak

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

MOTIONS AND RESOLUTIONS - CONTINUED

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. 2134 and that the rules of the Senate be so far suspended as to give H.F. No. 2134, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2134: A bill for an act relating to energy; prescribing the method of payment of petroleum tank release cleanup fees; requiring persons who remove basement heating oil storage tanks to remove fill and vent pipes to the outside; changing the inspection fee for petroleum products; imposing a fee on sales of liquefied petroleum gas; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired and liquefied petroleum gas heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 239.78; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 116; and 239.

Mr. Novak moved that the amendment made to H.F. No. 2134 by the Committee on Rules and Administration in the report adopted April 16, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Novak then moved to amend H.F. No. 2134 as follows:

Page 5, line 30, delete "*$296,000*" and insert "*$496,000*"

The motion prevailed. So the amendment was adopted.

Ms. Piper moved to amend H.F. No. 2134 as follows:

Page 5, after line 17, insert:

"Sec. 6. [268.371] [EMERGENCY ENERGY ASSISTANCE; FUEL FUNDS.]

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

(a) "Commissioner" means the commissioner of the department of jobs and training.

(b) "Energy provider" means a person who provides heating fuel, including natural gas, electricity, fuel oil, propane, wood, or other form of heating fuel, to residences at retail.

(c) "Fuel fund" means a fund established by an energy provider, the state, or any other entity that collects and distributes money for low-income emergency energy assistance and meets the minimum criteria, including income eligibility criteria, for receiving money from the federal Low-Income Home Energy Assistance Program and the program's Incentive Fund for Leveraging Non-Federal Resources.

Subd. 2. [ENERGY PROVIDERS; REQUIREMENT.] *Each energy provider may solicit contributions from its energy customers for deposit in a fuel fund established by the energy provider, a fuel fund established by another energy provider or other entity, or the statewide fuel account established in subdivision 3, for the purpose of providing emergency energy assistance to low-income households that qualify under the federal eligibility criteria of the federal Low-Income Home Energy Assistance Program. Solicitation of contributions from customers may be made at least annually and may provide each customer an opportunity to contribute as part of payment of bills for provision of service or provide an alternate, convenient way for*

customers to contribute.

Subd. 3. [STATEWIDE FUEL ACCOUNT; APPROPRIATION.] *The commissioner shall establish a statewide fuel account. The commissioner may develop and implement a program to solicit contributions, manage the receipts, and distribute emergency energy assistance to low-income households, as defined in the federal Low-Income Home Energy Assistance Program, on a statewide basis. All money remitted to the commissioner for deposit in the statewide fuel account is appropriated to the commissioner for the purpose of developing and implementing the program. No more than ten percent of the money received in the first two years of the program may be used for the administrative expenses of the commissioner to implement the program and no more than five percent of the money received in any subsequent year may be used for administration of the program.*

Subd. 4. [EMERGENCY ENERGY ASSISTANCE ADVISORY COUNCIL.] *The commissioner shall appoint an advisory council to advise the commissioner on implementation of this section. At least one-third of the advisory council must be composed of persons from households that are eligible for emergency energy assistance under the federal Low-Income Home Energy Assistance Program. The remaining two-thirds of the advisory council must be composed of persons representing energy providers, customers, local energy assistance providers, existing fuel fund delivery agencies, and community action agencies. Members of the advisory council may receive expenses, but no other compensation, as provided in section 15.059, subdivision 3. Appointment and removal of members is governed by section 15.059."*

Page 5, after line 28, insert:

"Sec. 8. Minnesota Statutes 1990, section 383C.044, is amended to read:

383C.044 [TRANSFER OF EMPLOYEES.]

The civil service director may at any time authorize the transfer of any employee in the classified service from one position to another position in the same class or grade and not otherwise; provided, however, that persons who are not members of the classified service under the provisions of sections 383C.03 to 383C.059 shall not be entitled to transfer. Transfers shall be permitted only with the consent of the civil service director and the department concerned. *The civil service commission shall adopt rules to govern the transfer of an employee from a city to the county, when the employee is performing Community Development Block Grant services for the county pursuant to a contract between the city and county."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 2134 as follows:

Page 4, after line 29, insert:

"Sec. 4. Minnesota Statutes 1990, section 216C.19, subdivision 1, is amended to read:

Subdivision 1. After consultation with the commissioner and the commissioner of public safety, the commissioner of transportation shall~~, pursuant to~~ *adopt rules under* chapter 14~~, promulgate rules~~ establishing ~~maximum~~

minimum energy ~~use~~ *efficiency* standards for street, highway, and parking lot lighting. The standards ~~shall~~ *must* be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting ~~shall~~ *may* be installed in violation of these rules ~~and~~. Existing ~~lighting levels shall be reduced consistent with the rules as soon as feasible and practical, consistent with overall energy conservation~~ *lighting equipment, excluding roadway sign lighting, with lamps with initial efficiencies less than 70 lumens per watt must be replaced when worn out with light sources using lamps with initial efficiencies of at least 70 lumens per watt.*

Sec. 5. Minnesota Statutes 1990, section 216C.19, subdivision 13, is amended to read:

Subd. 13. No new room air conditioner ~~or room air conditioner heat pump~~ shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio ~~of 7.0 or higher. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 or higher. For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical input in watts. The cooling capacity, electrical input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating~~ *equal to or greater than the values adopted under subdivision 8.*

Sec. 6. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 16. [LAMPS.] *The commissioner shall adopt rules under chapter 14 setting minimum efficiency standards for specific incandescent lamps. The rules must establish minimum efficiency standards for incandescent lamps of specific lamp type and wattage where an energy-saving substitute lamp is currently produced by at least two lamp manufacturers. The rules must include, but not be limited to, the following lamps: 40-watt A17 and A19 lamps, 60-watt A17 and A19 lamps, 75-watt A17 and A19 lamps, 100-watt A17 and A19 lamps, and 150-watt A21 lamps, where each is a general-purpose incandescent lamp with rated voltage between 114 and 131 volts with diffuse coating. The minimum efficiency standard must be set to exceed the efficiency of the original lamp. For incandescent lamps for which minimum standards have been established, no lamp may be sold in Minnesota unless it meets or exceeds the minimum efficiency standards adopted under this section.*

Sec. 7. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 17. [MOTORS.] *No motor covered by this subdivision, excluding those sold as part of an appliance, may be sold in Minnesota unless its nominal efficiency meets or exceeds the values adopted under subdivision 8.*

Sec. 8. Minnesota Statutes 1990, section 216C.19, is amended by adding

a subdivision to read:

Subd. 18. [COMMERCIAL HEATING, AIR CONDITIONING, AND VENTILATING EQUIPMENT.] *(a) This subdivision applies to electrically operated unitary and packaged terminal air conditioners and heat pumps, electrically operated water-chilling packages, gas- and oil-fired boilers, and warm air furnaces and combination warm air furnaces and air conditioning units installed in buildings housing commercial or industrial operations.*

(b) No commercial heating, air conditioning, or ventilating equipment covered by this subdivision may be sold or installed in Minnesota unless it meets or exceeds the minimum performance standards established by ASHRAE standard 90.1.

Sec. 9. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 19. [SHOWERHEADS; FAUCETS.] *(a) No showerhead, other than a safety shower showerhead, may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.*

(b) No kitchen faucet or kitchen replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of 2.5 gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

(c) No lavatory faucet or lavatory replacement aerator may be sold or installed in Minnesota if it permits a maximum water use in excess of two gallons per minute when measured at a flowing water pressure of 80 pounds per square inch.

Sec. 10. Minnesota Statutes 1990, section 216C.19, is amended by adding a subdivision to read:

Subd. 20. [RULES.] *The commissioner shall adopt rules to implement subdivisions 13 and 16 to 19, including rules governing testing of products covered by those sections. The rules must make allowance for wholesalers, distributors, or retailers who have inventory or stock which was acquired prior to July 1, 1993. The rules must consider appropriate efficiency requirements for motors used infrequently in agricultural and other applications."*

Page 5, after line 28, insert:

"Sec. 14. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. *The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy.* Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.

Sec. 15. [DEADLINE FOR RULEMAKING.]

The rules required by section 10 must be in effect by the effective date of sections 5 to 9."

Page 6, after line 11, insert:

"Sec. 18. [EFFECTIVE DATE.]

Sections 5 to 9 are effective July 1, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Gustafson moved to amend H.F. No. 2134 as follows:

Page 5, after line 17, insert:

"Sec. 6. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 6a. [RESIDENTIAL FIRE-SAFETY SPRINKLER SYSTEMS.] *For purposes of property taxation, the market value of automatic fire-safety sprinkler systems meeting the standards of the Minnesota fire code shall be excluded from the market value of (1) existing multifamily residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence and (2) existing real estate containing four or more contiguous residential units for use by customers of the owner, such as hotels, motels, and lodging houses.*

Sec. 7. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [AUTOMATIC FIRE-SAFETY SPRINKLER SYSTEMS.] *The gross receipts from the sale of automatic fire-safety sprinkler systems described in section 273.11, subdivision 6a, are exempt.*"

Page 6, after line 11, insert:

"Sec. 11. [EFFECTIVE DATE.]

Section 6 is effective for taxes levied in 1992, payable in 1993, and thereafter. Section 7 is effective for sales after June 30, 1992."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2134 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2749 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2749: A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

Mr. Marty moved that the amendment made to H.F. No. 2749 by the Committee on Rules and Administration in the report adopted April 15, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2749 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.J.	Metzen	Renneke
Beckman	Finn	Johnson, J.B.	Moe, R.D.	Riveness
Belanger	Flynn	Johnston	Mondale	Sams
Benson, D.D.	Frank	Knaak	Neuville	Samuelson
Benson, J.E.	Frederickson, D.R.	Laidig	Novak	Solon
Bernhagen	Gustafson	Langseth	Pappas	Spear
Bertram	Halberg	Larson	Piper	Stumpf
Cohen	Hottinger	Lessard	Pogemiller	Terwilliger
Dahl	Hughes	Marty	Price	Traub
Davis	Johnson, D.E.	McGowan	Reichgott	

So the bill passed and its title was agreed to.

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2848: Mr. Waldorf, Ms. Flynn and Mrs. Brataas.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2804 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2804: A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

Mr. Lessard moved that the amendment made to H.F. No. 2804 by the Committee on Rules and Administration in the report adopted April 15, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2804 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

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. 1453 and that the rules of the Senate be so far suspended as to give H.F. No. 1453, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1453: A bill for an act relating to wastewater treatment funding; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; requiring a metropolitan disposal system rate structure study; regulating the fully developed area study; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; 115.20, subdivisions 1, 3, 4, 5, and 6; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

Mr. Morse moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6, is amended to read:

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

(1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;

(2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;

(3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and

(4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;

(5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;

(6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;

(7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;

(8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and

(9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

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

(1) for nonprofit corporations and school districts:

(i) 5.0 cents per 1,000 gallons until December 31, 1991;

(ii) 10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and

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

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

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is $50.

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

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

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

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

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

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

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

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

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is $10 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) For once-through systems fees payable after July 1, 1993, ~~at least 50~~ *75* percent of the ~~fee deposited in the general fund shall be used for grants, loans, or other financial assistance as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems until December 31, 1999. The commissioner shall adopt rules for determining eligibility and criteria for the issuance of grants, loans, or other financial assistance for retrofitting according to chapter 14. by July 1, 1993~~ *fees must be credited to a special account and are appropriated to the Minnesota public facilities authority for loans under section 446A.21.*"

Page 12, after line 28, insert:

"Sec. 7. [446A.21] [ONCE-THROUGH COOLING CONVERSION LOANS.]

Subdivision 1. [BONDS AND NOTES.] *(a) The authority shall provide loans, including no interest loans, to public and private entities for the capital costs incurred for the replacement of once-through cooling systems with environmentally acceptable cooling systems.*

(b) The authority may issue its bonds and notes in the manner provided under sections 446A.12 to 446A.20 to provide money needed for the purposes of this section over and above the amount appropriated to it for these purposes. The principal amount of bonds and notes issued and outstanding under this section may not exceed $40,000,000 at any time. The bonds and notes issued to make loans under this section are not general obligation bonds. Section 446A.15, subdivision 6, does not apply to the bonds and notes. The bonding authority authorized under this section is in addition to the bonding authority authorized under section 446A.12, subdivision 1, and the limitation on the amount of bonding authority imposed under section 446A.12, subdivision 1, does not apply to the bonds issued under this section. The legislature intends not to appropriate money from the general fund to pay for these bonds.

(c) Money appropriated to the authority and money provided under section 446A.04, subdivision 3, for once-through cooling conversion may be used

by the authority for debt service on bonds and notes, purchasing insurance, subsidizing below market interest rates, and providing loans under this section.

Subd. 2. [ADMINISTRATION.] *(a) An entity may apply to the authority for a loan. Within ten days of receipt, the authority shall submit the application to the commissioner of public service to determine whether the proposed cooling system meets the energy efficiency criteria of the department. The commissioner of public service shall certify to the authority whether the project meets the applicable energy efficiency criteria. The commissioner of public service shall adopt rules establishing energy efficiency criteria for replacement cooling systems.*

(b) Within the limitation of available funds, the authority may award a loan to a certified entity if the authority determines that the entity has demonstrated the ability to repay the loan under the terms negotiated under subdivision 3.

(c) The authority shall give priority to nonprofit organizations and school districts in making loans.

Subd. 3. [LOAN CONDITIONS.] *A loan made under this section may be made for up to 100 percent of the cost of once-through cooling system replacement for which the entity is liable. A loan may be made at or below market interest rates and at a term not to exceed 20 years.*

Subd. 4. [LOAN PAYMENTS.] *Loan repayments of principal and interest received by the authority are appropriated to the authority to make new loans."*

Page 15, after line 1, insert:

"*Sections 1 and 7 are effective July 1, 1992.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 7, after line 10, insert:

"Sec. 2. Minnesota Statutes 1990, section 115.19, is amended to read:

115.19 [CREATION; PURPOSE; EXCEPTIONS.]

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout ~~such~~ *the* territory for the accomplishment of ~~such~~ *these* purposes, ~~that such purposes cannot be effectively accomplished throughout such territory by any existing public agency or agencies,~~ that ~~such~~ *these* purposes can be effectively accomplished ~~therein~~ on an equitable basis by a district if created, and that the

creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No ~~such~~ district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in ~~such~~ *the* proposed district by resolution filed with the agency.

Sec. 3. Minnesota Statutes 1990, section 115.20, subdivision 1, is amended to read:

Subdivision 1. *(a)* A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

(1) A request for creation of the proposed district;

(2) The name proposed for the district, to include the words "sanitary district";

(3) A description of the territory of the proposed district;

(4) A statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;

(5) A statement of the territorial units represented by and the qualifications of the respective signers;

(6) The post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) A public meeting must be held to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges. Notice of the meeting must be published for two successive weeks in a qualified newspaper published within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and by posting for two weeks in each territorial unit of the proposed district. A record of the meeting must be submitted to the agency with the petition.

Sec. 4. Minnesota Statutes 1990, section 115.20, subdivision 2, is amended to read:

Subd. 2. Every ~~such~~ petition shall be signed as follows:

(1) For each municipality wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the municipal governing body;

(2) For each organized town wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the town board;

(3) For each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer or officers pursuant to a resolution of the county board, or by at least 20 percent of the voters residing and owning land within ~~such~~ *the* unit.

Each ~~such~~ resolution shall be published in the official newspaper of the governing body adopting it and shall become effective 40 days after ~~such~~ publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of such electors voting at the last preceding election of ~~such~~ *the* governing body, requesting a referendum on the resolution, in which case ~~the same shall~~ *the resolution may* not become effective until approved by a majority of ~~such~~ *the* qualified electors voting ~~thereon~~ at a regular election or special election which the governing body may call ~~for such purpose~~. The notice of any ~~such~~ election and the ballot to be used ~~thereat~~ shall contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's *landowner* status ~~as such~~ as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

Sec. 5. Minnesota Statutes 1990, section 115.20, subdivision 3, is amended to read:

Subd. 3. ~~The agency or its agent holding the hearing on a petition may, at any time before the reception of evidence begins, permit the addition of signatures to the petition or may permit amendment of the petition~~ *At any time before publication of the public notice required in subdivision 4, or before the public hearing, if required under subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made* to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. No proceeding shall be invalidated on account of any error or defect in the petition unless questioned by an interested party before the reception of evidence begins at the hearing except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged ~~at the hearing thereon~~, the agency or its agent ~~holding the hearing~~ shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Sec. 6. Minnesota Statutes 1990, section 115.20, subdivision 4, is amended to read:

Subd. 4. *(a)* Upon receipt of a petition *and the record of the public meeting required under subdivision 1*, the agency shall ~~cause a hearing to be held thereon, subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62 and other laws not inconsistent therewith now or hereafter in force relating to hearings held under authority of the agency, so far as applicable, except as otherwise provided. Notice of the hearing, stating that a petition for creation of the proposed district has been filed and describing the territory thereof, shall be given by the secretary of the agency by publication for two successive weeks in a qualified newspaper published within such territory, or, if there is no such newspaper, by publication in a qualified newspaper of general circulation in such territory, also by posting for two weeks in each territorial unit of the proposed district, and by mailing a copy of the notice to each signer of the petition at the signer's address as given therein. Registration of mailed copies of the notice shall not be required. Proof of the giving of the notice shall be filed in the office of~~

~~the secretary.~~ *publish a notice in the State Register and mail a copy to each property owner in the affected territory at the owner's address as given by the county auditor. The mailed copy must state the date that the notice will appear in the State Register. Copies need not be sent by registered mail. The notice must:*

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the agency within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the agency may make a decision on the petition at a future meeting of the agency.

(b) If 25 or more timely requests for hearing are received, the agency must hold a hearing on the petition in accordance with the contested case provisions of chapter 14.

Sec. 7. Minnesota Statutes 1990, section 115.20, subdivision 5, is amended to read:

Subd. 5. After the *public notice period or the public* hearing, *if required under subdivision 4*, and ~~upon the evidence received thereat~~ *based on the petition, any public comments received, and, if a hearing was held, the hearing record,* the agency shall make findings of fact and conclusions determining whether or not the conditions requisite for the creation of a district exist in the territory described in the petition. If the agency finds that ~~such~~ conditions exist, it may make an order creating a district for the territory described in the petition under the name proposed in the petition or such other name, including the words "sanitary district," as the agency deems appropriate.

Sec. 8. Minnesota Statutes 1990, section 115.20, subdivision 6, is amended to read:

Subd. 6. If the agency, after *the conclusion of the public notice period or the holding of* a hearing, *if required,* determines that the creation of a district in the territory described in the petition is not warranted, it shall make an order denying the petition. The secretary of the agency shall give notice of such denial by mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of ~~such~~ an order, but this shall not preclude action on a petition for the creation of a district embracing part of ~~such~~ *the* territory with or without other territory."

Page 8, line 15, after "*impact*" insert ", *and scenic and wild river standards*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete everything before "requiring" and insert "relating to the environment; modifying procedures for creating sanitary districts;"

Page 1, line 11, after "1;" insert "115.19; 115.20, subdivisions 1 to 6;"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 1453, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 1292.)

Page 14, after line 21, insert:

"Sec. 8. [CLOQUET; BONDS.]

The city of Cloquet may issue general obligation bonds in an amount not greater than $2,200,000 for the acquisition and betterment of a water line extension to the Fond du Lac Community College. The bonds may be issued without election and are not subject to the limits on debt provided by Minnesota Statutes, chapter 475, or other law. Except as provided by this section, the bonds shall be issued as provided by Minnesota Statutes, chapter 475. The bonds must be issued before July 1, 1993."

Page 15, after line 5, insert:

"*Section 8 is effective the day following the date of compliance by the governing body of the city of Cloquet with Minnesota Statutes, section 645.021, subdivision 3.*"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert "authorizing bonds for the city of Cloquet for a water line extension;"

The motion prevailed. So the amendment was adopted.

H.F. No. 1453 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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. 2717 and that the rules of the Senate be so far suspended as to give H.F. No. 2717, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2717: A bill for an act relating to water; providing that well setback rules may be waived for dairy farmers; requiring maintenance of a statewide nitrate data base; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; amending Minnesota Statutes 1990, sections 32.394, by adding subdivisions; 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; 103I.222; 103I.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

Mr. Morse moved to amend H.F. No. 2717, as amended pursuant to Rule 49, adopted by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2102.)

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 11. [WAIVER OF RULES; WATER WELL DISTANCE REQUIREMENT.] *A dairy farmer who wishes to be permitted to produce grade A milk may not be denied the grade A permit solely because of provisions in rules adopted by the commissioner of health requiring a minimum distance between a water well and a dairy barn. To be eligible for a grade A permit, the following conditions must be met:*

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all rules of the commissioner of health other than the minimum distance requirement; and

(3) water from the well must be tested at least once every six months in compliance with guidelines established by the commissioner of agriculture.

Sec. 3. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 12. [WATER TESTING GUIDELINES.] *The commissioner of agriculture, in consultation with the commissioner of health, shall establish guidelines for the testing required under section 2, clause (3). The guidelines are not subject to chapter 14.*"

Page 2, after line 2, insert:

"Sec. 5. Minnesota Statutes 1990, section 103I.115, is amended to read:

103I.115 [COMPLIANCE WITH THIS CHAPTER REQUIRED.]

(a) Except as provided in paragraph (b), a person may not construct, repair, or seal a well or boring, except as provided under the provisions of this chapter.

(b) Until June 30, 1994, this chapter does not apply to dewatering wells 45 feet or less in depth."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 2717 was read the third time, as amended, and placed on its

final passage.

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

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Metzen	Renneke
Beckman	Dicklich	Johnson, J.B.	Moe, R.D.	Riveness
Belanger	Finn	Johnston	Mondale	Sams
Benson, D.D.	Flynn	Knaak	Morse	Spear
Benson, J.E.	Frank	Laidig	Neuville	Stumpf
Berg	Frederickson, D.J.	Langseth	Novak	Traub
Berglin	Gustafson	Larson	Pappas	Waldorf
Bernhagen	Halberg	Luther	Pariseau	
Bertram	Hottinger	Marty	Piper	
Davis	Hughes	McGowan	Price	
Day	Johnson, D.E.	Mehrkens	Ranum	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Mehrkens moved that S.F. No. 1986, No. 29 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Mehrkens then moved that S.F. No. 2520, No. 32 on General Orders, be stricken and returned to its author. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2437 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2437: A bill for an act relating to the environment; pollution control; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; amending Minnesota Statutes 1990, sections 116.61, subdivision 1; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Mr. Morse moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Pages 1 and 2, delete sections 1 to 5

Page 11, delete lines 25 to 30 and insert:

"Sec. 8. [REPORT ON ROLE OF POLLUTION CONTROL AGENCY BOARD.]

(a) The pollution control agency board shall study and develop recommendations on what the board's role should be in formulating, implementing, and enforcing environmental policy in the state. In developing the recommendations, the board shall consider:

(1) the comments of the legislative auditor on the board's role, as contained in the auditor's report dated January, 1991; and

(2) any other relevant factors not addressed in the auditor's report.

(b) By January 15, 1993, the board shall report the results of the study to the legislative policy committees having jurisdiction over environmental and natural resource issues and the environment and natural resource divisions of the senate finance and house appropriations committees. In addition to the board's recommendations, the report must include:

(1) specific discussion of each of the legislative auditor's recommendations on the board's role; and

(2) a plan for implementing the board's recommendations, including proposed legislation."

Page 11, delete line 33

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete everything before "conforming"

Page 1, line 13, after "report" insert "on the role of the pollution control agency board"

Page 1, line 14, delete "sections 116.02,"

Page 1, delete line 15

Page 1, line 16, delete "and" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Morse then moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 6, delete lines 4 to 6

Page 6, line 16, delete "*111 or 112*" and insert "*7411 or 7412*"

Page 6, lines 26 and 27, delete "*titles I and III*" and insert "*section 7661*"

Renumber the subdivisions in sequence

Page 7, line 2, delete "*507*" and insert "*7661f*" and delete "*amendments*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Morse imposed a call of the Senate for the balance of the proceedings on H.F. No. 2437. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Morse then moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1990, section 115D.12, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission shall pay a pollution prevention fee of $150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of $500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported~~, not to exceed a total of $30,000 per facility~~.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of $500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 13, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund."

Page 5, after line 14, insert:

"Sec. 8. [116.454] [MONITORING PROGRAM.]

By July 1, 1993, the agency shall establish a statewide monitoring program for, and inventory of probable sources of, releases into the air, ambient concentrations in the air, and deposition from the air of toxic substances."

Page 11, after line 30, insert:

"Sec. 16. [FUNDING FOR MONITORING PROGRAM.]

The monitoring program established under section 8 must be implemented to the extent allowed by the additional revenues generated by section 1."

Page 11, line 33, delete "*1 to 5*" and insert "*2 to 6*" and after the period, insert "*Section 1 is effective for fees collected in fiscal year 1994 and thereafter.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Kelly	Neuville	Ranum
Benson, J.E.	Frederickson, D.R.	Knaak	Novak	Reichgott
Berglin	Hottinger	Luther	Olson	Riveness
Cohen	Hughes	Marty	Pappas	Sams
DeCramer	Johnson, D.E.	McGowan	Pariseau	Spear
Dicklich	Johnson, D.J.	Merriam	Piper	Traub
Finn	Johnson, J.B.	Mondale	Pogemiller	
Frank	Johnston	Morse	Price	

Those who voted in the negative were:

Adkins	Bertram	Gustafson	Lessard	Samuelson
Belanger	Chmielewski	Halberg	Mehrkens	Solon
Benson, D.D.	Dahl	Kroening	Metzen	Stumpf
Berg	Davis	Langseth	Moe, R.D.	Terwilliger
Bernhagen	Day	Larson	Renneke	Vickerman

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 11, after line 30, insert:

"Sec. 14. [REPORT ON RULEMAKING ACTIVITIES.]

By January 1, 1993, the commissioner of the pollution control agency shall submit to the legislative commission to review administrative rules and legislative committees having jurisdiction over environmental and natural resource issues a report describing the ongoing rulemaking activities of the agency as of that date and any additional rulemaking activities the agency plans to begin before July 1, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Mondale moved to amend H.F. No. 2437, as amended pursuant to Rule 49, adopted by the Senate April 15, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 11, after line 30, insert:

"Sec. 14. [VIDEO DISPLAY TERMINAL OPERATOR HEALTH STUDY.]

The commissioner of labor and industry shall review and identify the occupational health problems associated with the operation of video display terminals. The commissioner shall review existing literature on the subject and may conduct additional research. The commissioner shall recommend solutions to any health problems that are identified.

The commissioner shall study the potential savings and benefits to employers in reduced days lost off work due to providing ergonomically correct work stations, antiglare screens, and other features and programs, including amount of time in front of video display terminals, also education and training, designed to prevent injury or illness to video display terminal operators. The commissioner shall also study the effects of implementation of other state, county, and city laws, regulations, and ordinances regulating video display terminal operators and the ability of employers to comply with those laws, regulations, and ordinances.

The commissioner shall report the results of the study and make recommendations to the legislature by February 15, 1993."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2437 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 2848 at 4:00 p.m.:

Mrs. Brataas, Ms. Flynn and Mr. Waldorf. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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. 2649 and that the rules of the Senate be so far suspended as to give H.F. No. 2649, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 2649: A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582.

Mr. Spear moved that the amendment made to H.F. No. 2649 by the Committee on Rules and Administration in the report adopted April 16, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2649 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Luther	Renneke
Belanger	Finn	Johnston	McGowan	Riveness
Benson, J.E.	Flynn	Kelly	Mehrkens	Sams
Berg	Frank	Knaak	Moe, R.D.	Spear
Bernhagen	Frederickson, D.J.	Kroening	Morse	Stumpf
Bertram	Frederickson, D.R.	Laidig	Neuville	Terwilliger
Brataas	Gustafson	Langseth	Novak	Traub
Chmielewski	Hottinger	Larson	Pappas	Waldorf
Day	Hughes	Lessard	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2000 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2000: A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McGowan	Reichgott
Beckman	DeCramer	Johnson, D.E.	Mehrkens	Renneke
Belanger	Finn	Johnson, J.B.	Merriam	Riveness
Benson, D.D.	Flynn	Johnston	Moe, R.D.	Sams
Benson, J.E.	Frank	Knaak	Mondale	Solon
Bernhagen	Frederickson, D.J.	Kroening	Morse	Spear
Bertram	Frederickson, D.R.	Laidig	Neuville	Stumpf
Chmielewski	Gustafson	Larson	Novak	Terwilliger
Cohen	Halberg	Lessard	Pappas	Traub
Dahl	Hottinger	Luther	Ranum	Waldorf

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1880 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1880: A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101,

subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

Mr. Chmielewski moved to amend S.F. No. 1880 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION; DEPARTMENT OF LABOR AND INDUSTRY.]

(a) Total Appropriation $ 2,300,000

This appropriation is from the workers' compensation special compensation fund to the commissioner of labor and industry for the biennium ending June 30, 1993. This appropriation is for the purpose of carrying out the additional duties imposed on the commissioner by S.F. No. 2107 as enacted by the 1992 legislature. This section is of no effect if S.F. No. 2107 is vetoed.

(b) $141,000 of this appropriation is for the purpose of setting standards of treatment required by S.F. No. 2107, article 4, section 21.

(c) $415,000 of this appropriation is for the purpose of carrying out duties with respect to managed care plans required by S.F. No. 2107, article 4, section 13.

(d) $68,000 is for adopting the relative value fee schedule as required by S.F. No. 2107, article 4, section 15.

(e) $500,000 is for the duties under S.F. No. 2107, article 4, not provided for in paragraph (b), (c), or (d).

(f) $350,000 is for the fraud unit created by S.F. No. 2107, article 3, section 30.

(g) $170,000 is for the duties created under S.F. No. 2107, article 3, section 29.

(h) $656,000 is to carry out other duties assigned to the commissioner.

(i) The complement of the department of labor and industry is increased by ten positions.

(j) In addition to the increases in paragraph (i), the complement of the department of labor and industry is increased by 15 positions until June 30, 1994."

Delete the title and insert:

"A bill for an act relating to workers' compensation; funding various activities of the department of labor and industry; appropriating money."

The motion prevailed. So the amendment was adopted.

S.F. No. 1880 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:20 p.m. The motion prevailed.

The hour of 6:20 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1993: A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

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

Johnson, A.; Seaberg and Mariani.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

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

S.F. No. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

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

Wagenius, Rukavina and Pauly.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

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

the following Senate File:

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

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

Rice, Sarna and Kahn.

Senate File No. 2314 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1619, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1619: A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

Senate File No. 1619 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1938, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1938: A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

Senate File No. 1938 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2111, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2111: A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

Senate File No. 2111 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2499, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2499: A bill for an act relating to natural resources; authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

Senate File No. 2499 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2257, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2257: A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

Senate File No. 2257 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2514, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county

hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

Senate File No. 2514 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2800, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2800 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2800

A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; transferring authority for regulation of health maintenance organizations from the commissioner of health to the commissioner of commerce; giving the commissioner of health certain duties; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 60B.03, subdivision 2; 60B.15; 60B.20; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03; 62D.04; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, and 7; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivision 10; 62D.24; and 62D.30, subdivisions 1 and 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1; 144.699, subdivision 2; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; 290.06, by adding a subdivision; 290.62; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62D.122; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990,

sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62D.041, subdivision 4; 62D.042, subdivision 3; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2800, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2800 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COST CONTAINMENT

Section 1. [62J.01] [PURPOSE.]

The legislature finds that the staggering growth in health care costs is having a devastating effect on the health and cost of living of Minnesota residents. The legislature further finds that the number of uninsured and underinsured residents is growing each year and that the cost of health care coverage for our insured residents is increasing annually at a rate that far exceeds the state's overall rate of inflation.

The legislature further finds that it must enact immediate and intensive cost containment measures to limit the growth of health care expenditures, reform insurance practices, and finance a plan that offers access to affordable health care for our permanent residents by capturing dollars now lost to inefficiencies in Minnesota's health care system.

The legislature further finds that controlling costs is essential to the maintenance of the many factors contributing to the quality of life in Minnesota: our environment, education system, safe communities, affordable housing, provision of food, economic vitality, purchasing power, and stable population.

It is, therefore, the intent of the legislature to lay a new foundation for the delivery and financing of health care in Minnesota and to call this new foundation The Minnesota Health Right Act.

Sec. 2. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] *For purposes of this chapter, the terms defined in this section have the meanings given.*

Subd. 2. [CLINICALLY EFFECTIVE.] *"Clinically effective" means that the use of a particular medical technology improves patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology demonstrates a clinical advantage over alternative technologies.*

Subd. 3. [COMMISSION.] *"Commission" or "state commission" means the Minnesota health care commission established in section 62J.05.*

Subd. 4. [COMMISSIONER.] *"Commissioner" means the commissioner of health.*

Subd. 5. [COST EFFECTIVE.] *"Cost effective" means that the economic costs of using a particular technology to achieve improvement in a patient's health outcome are justified given a comparison to both the economic costs and the improvement in patient health outcome resulting from the use of alternative technologies.*

Subd. 6. [GROUP PURCHASER.] *"Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, health insurance companies, health maintenance organizations and other health plan companies; employee health plans offered by self-insured employers; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.*

Subd. 7. [IMPROVEMENT IN HEALTH OUTCOME.] *"Improvement in health outcome" means an improvement in patient clinical status, and an improvement in patient quality-of-life status, as measured by ability to function, ability to return to work, and other variables.*

Subd. 8. [PROVIDER.] *"Provider" or "health care provider" means a person or organization other than a nursing home that provides health care or medical care services within Minnesota for a fee, as further defined in rules adopted by the commissioner.*

Sec. 3. [62J.04] [CONTROLLING THE RATE OF GROWTH OF HEALTH CARE SPENDING.]

Subdivision 1. [COMPREHENSIVE BUDGET.] *The commissioner of health shall set an annual limit on the rate of growth of public and private spending on health care services for Minnesota residents. The limit on growth must be set at a level that will slow the current rate of growth by at least ten percent per year using the spending growth rate for 1991 as a base year. This limit must be achievable through good faith, cooperative efforts of health care consumers, purchasers, and providers.*

Subd. 2. [DATA COLLECTION.] *For purposes of setting limits under this section, the commissioner shall collect from all Minnesota health care providers data on patient revenues received during a time period specified by the commissioner. The commissioner shall also collect data on health care spending from all group purchasers of health care. All health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements. Intentional failure to provide reports requested under this section is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information required by the commissioner under this section. If a provider refuses to provide a report*

or information required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information required under this section. All data received is nonpublic, trade secret information under section 13.37. The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and organizations, except with the permission of the affected individual or organization.

Subd. 3. [COST CONTAINMENT DUTIES.] *After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:*

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

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending limits;

(3) provide technical assistance to regional coordinating boards;

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

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

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

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

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

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

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

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

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

Subd. 4. [CONSULTATION WITH THE COMMISSION.] *Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain*

the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

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

Subd. 6. [RULEMAKING.] *The commissioner shall adopt rules under chapter 14 to implement this chapter, including appeals of decisions by the Minnesota health care commission and the regional coordinating boards.*

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] *(a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a plan, with as much detail as possible, for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. The commission shall use the rate of spending growth in 1991 as the base year for developing its plan. The plan may include tentative targets for reducing the growth in spending for consideration by the legislature.*

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) data and methods that could be used to calculate regional and statewide spending limits and the various options for expressing spending limits, such as maximum percentage growth rates or actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(2) methods of adjusting spending limits to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(3) methods that could be used to monitor compliance with the limits;

(4) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending limits;

(5) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(6) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

(7) methods of encouraging voluntary activities that will help keep spending within the limits;

(8) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;

(9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;

(10) methods of depriving those who benefit financially from overspending of the benefit of overspending, including the option of recovering the amount of the excess spending from the greater provider community or from individual providers or groups of providers through targeted assessments;

(11) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;

(12) methods of imposing mandatory requirements relating to the delivery of health care, such as practice parameters, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;

(13) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit or that significantly circumvent, subvert, or obstruct the goals of this chapter;

(14) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care; and

(15) the advisability or feasibility of a system of permanent, regional coordinating boards to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region.

Sec. 4. [62J.05] [MINNESOTA HEALTH CARE COMMISSION.]

Subdivision 1. [PURPOSE OF THE COMMISSION.] *The Minnesota health care commission consists of health care providers, purchasers, consumers, employers, and employees. The two major functions of the commission are:*

(1) to make recommendations to the commissioner of health and the legislature regarding statewide and regional limits on the rate of growth of health care spending and activities to prevent or address spending in excess of the limits; and

(2) to help Minnesota communities, providers, group purchasers, employers, employees, and consumers improve the affordability, quality, and accessibility of health care.

Subd. 2. [MEMBERSHIP.] *(a)* [NUMBER.] *The Minnesota health care commission consists of 25 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence. The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their*

population.

(b) [HEALTH PLAN COMPANIES.] *The commission includes four members representing health plan companies, including one member appointed by the Minnesota Council of Health Maintenance Organizations, one member appointed by the Insurance Federation of Minnesota, one member appointed by Blue Cross and Blue Shield of Minnesota, and one member appointed by the governor.*

(c) [HEALTH CARE PROVIDERS.] *The commission includes six members representing health care providers, including one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, one member appointed by the Minnesota Nurses' Association, one rural physician appointed by the governor, and two members appointed by the governor to represent providers other than hospitals, physicians, and nurses.*

(d) [EMPLOYERS.] *The commission includes four members representing employers, including (1) two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer; and (2) two members appointed by the governor.*

(e) [CONSUMERS.] *The commission includes five consumer members, including three members appointed by the governor, one of whom must represent persons over age 65; one appointed under the rules of the senate; and one appointed under the rules of the house of representatives.*

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

(g) [STATE AGENCIES.] *The commission includes the commissioners of commerce, employee relations, and human services.*

(h) [CHAIR.] *The governor shall designate the chair of the commission from among the governor's appointees.*

Subd. 3. [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.*

Subd. 4. [CONFLICTS OF INTEREST.] *No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.*

Subd. 5. [IMMUNITY FROM LIABILITY.] *No member of the commission shall be held civilly or criminally liable for an act or omission by that person if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.*

Subd. 6. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] *The commission is governed by section 15.0575.*

Subd. 7. [ADMINISTRATION.] *The commissioner of health shall provide office space, equipment and supplies, and technical support to the commission.*

Subd. 8. [STAFF.] *The commission may hire an executive director who serves in the unclassified service. The executive director may hire employees and consultants as authorized by the commission and may prescribe their duties. The attorney general shall provide legal services to the commission.*

Sec. 5. [62J.07] [LEGISLATIVE OVERSIGHT COMMISSION.]

Subdivision 1. [LEGISLATIVE OVERSIGHT.] *The legislative commission on health care access reviews the activities of the commissioner of health, the state health care commission, and all other state agencies involved in the implementation and administration of this chapter, including efforts to obtain federal approval through waivers and other means.*

Subd. 2. [MEMBERSHIP.] *The legislative commission on health care access consists of five members of the senate appointed under the rules of the senate and five members of the house of representatives appointed under the rules of the house of representatives. The legislative commission on health care access must include three members of the majority party and two members of the minority party in each house.*

Subd. 3. [REPORTS TO THE COMMISSION.] *The commissioner of health and the Minnesota health care commission shall report on their activities and the activities of the regional boards annually and at other times at the request of the legislative commission on health care access. The commissioners of health, commerce, and human services shall provide periodic reports to the legislative commission on the progress of rulemaking that is authorized or required under this act and shall notify members of the commission when a draft of a proposed rule has been completed and scheduled for publication in the State Register. At the request of a member of the commission, a commissioner shall provide a description and a copy of a proposed rule.*

Subd. 4. [REPORT ON REVENUE SOURCES.] *The legislative commission on health care access shall study the long-term integrity and stability of the revenue sources created in this act as the funding mechanism for the health right program and related health care initiatives. The study must include:*

(1) an analysis of the impact of the provider taxes on the health care system and the relationship between the taxes and other initiatives related to health care access, affordability, and quality;

(2) the adequacy of the revenues generated in relation to the costs of a fully implemented and appropriately designed health right program;

(3) the extent to which provider taxes are passed on to individual and group purchasers and the ability of individual providers and groups of provider to absorb all or part of the tax burden;

(4) alternative funding sources and financing methods; and

(5) other appropriate issues relating to the financing of the health right program and related initiatives.

The commission shall provide a preliminary report and recommendations to the legislature by January 15, 1993, and a final report and recommendations by January 15, 1994. The commissioners of revenue, human services, and health shall provide assistance to the commission.

Sec. 6. [62J.09] [REGIONAL COORDINATING BOARDS.]

Subdivision 1. [GENERAL DUTIES.] *The regional coordinating boards are locally controlled boards consisting of providers, health plan companies, employers, consumers, and elected officials. Regional boards may:*

(1) recommend that the commissioner sanction voluntary agreements between providers in the region that will improve quality, access, or affordability of health care but might constitute a violation of antitrust laws if undertaken without government direction;

(2) make recommendations to the commissioner regarding major capital expenditures or the introduction of expensive new technologies and medical practices that are being proposed or considered by providers;

(3) undertake voluntary activities to educate consumers, providers, and purchasers or to promote voluntary, cooperative community cost containment, access, or quality of care projects;

(4) make recommendations to the commissioner regarding ways of improving affordability, accessibility, and quality of health care in the region and throughout the state.

Subd. 2. [MEMBERSHIP.] *(a) Each regional health care management board consists of 16 members as provided in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence.*

(b) [PROVIDER REPRESENTATIVES.] *Each regional board must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.*

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] *Each regional board includes three members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.*

(d) [EMPLOYER REPRESENTATIVES.] *Regional boards include three members representing employers in the region. Employer representatives are elected by a vote of the employers who are members of chambers of commerce in the region. At least one member must represent self-insured employers.*

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

(f) [PUBLIC MEMBERS.] *Regional boards include three consumer members. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.*

(g) [COUNTY COMMISSIONER.] *Regional boards include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.*

(h) [STATE AGENCY.] *Regional boards include one state agency commissioner appointed by the governor to represent state health coverage programs.*

Subd. 3. [ESTABLISHMENT OF REGIONAL COORDINATING ORGANIZATIONS AND STRUCTURE.] *The providers of health services in each region should begin formulating the appropriate structure for organizing the delivery networks or systems to accomplish the objectives in subdivision 1. Once a draft plan is outlined, or during the drafting process, other entities should be included as appropriate so as to ensure the comprehensiveness of the plan and the regional planning process. The ultimate structure of the regional coordinating organization may vary by region and in composition. Each region may consult with the commissioner of health and the Minnesota health care commission during the planning process.*

Subd. 4. [FINANCIAL INTERESTS OF MEMBERS.] *A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.*

Subd. 5. [CONFLICTS OF INTEREST.] *No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.*

Subd. 6. [TECHNICAL ASSISTANCE.] *The state health care commission shall provide technical assistance to regional boards.*

Subd. 7. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] *Regional coordinating boards are governed by section 15.0575, except that members do not receive per diem payments.*

Subd. 8. [REPEALER.] *This section is repealed effective July 1, 1993.*

Sec. 7. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] *The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other high-cost transplants, high-cost health care procedures and devices excluding United States Food and Drug Administration approved implantable or wearable medical devices, and expensive, large-scale technologies such as scanners and imagers.*

Subd. 2. [HEALTH PLANNING.] *In consultation with the health planning advisory committee, the Minnesota health care commission shall:*

(1) make recommendations on the types of high-cost technologies, procedures, and capital expenditures for which a plan on statewide use and distribution should be made;

(2) develop criteria for evaluating new high-cost health care technology and procedures and major capital expenditures that take into consideration the clinical effectiveness, cost effectiveness, and health outcome;

(3) recommend to the commissioner of health and the regional coordinating organizations statewide and regional goals and targets for the distribution and use of new and existing high-cost health care technologies and procedures and major capital expenditures;

(4) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(5) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 8. [62J.17] [EXPENDITURE REPORTING.]

Subdivision 1. [PURPOSE.] *To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor believed to contribute to escalating costs may be the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits are established under section 62J.04, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending targets are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before targets or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the legislature finds that a requirement for reporting health care expenditures is necessary.*

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

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

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

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

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

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

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

(1) acquisition of a unit of medical equipment;

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

(3) offering a new specialized service not offered before;

(4) planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4).

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

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

(1) an extracorporeal shock wave lithotripter;

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

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

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

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

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

(1) cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

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

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

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

implantable and wearable devices.

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

Subd. 3. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED; NURSING HOMES EXEMPT.] *Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071. This section does not apply to major spending commitments made by nursing homes or intermediate care facilities that are related to the provision of long-term care services to residents.*

Subd. 4. [EXPENDITURE REPORTING.] *Any provider making a capital expenditure establishing a health care service or new specialized service, or making a major spending commitment after April 1, 1992, that is in excess of $500,000, shall submit notification of this expenditure to the commissioner and provide the commissioner with any relevant background or other information. The commissioner shall not have any approval or denial authority, but should use such information in the ongoing evaluation of statewide and regional progress toward cost containment and other objectives.*

Subd. 5. [RETROSPECTIVE REVIEW.] *The commissioner of health, in consultation with the Minnesota health care commission, shall retrospectively review capital expenditures and major spending commitments that are required to be reported by providers under subdivision 4. In the event that health care providers refuse to cooperate with attempts by the Minnesota health care commission and regional coordinating organizations to coordinate the use of health care technologies and procedures, and reduce the growth rate in health care expenditures; or in the event that health care providers use, purchase, or perform health care technologies and procedures that are not clinically effective and cost effective and do not improve health outcomes based on the results of medical research; or in the event providers have failed to pursue collaborative arrangements; the commissioner shall require those health care providers to follow the procedures for prospective review and approval established in subdivision 6.*

Subd. 6. [PROSPECTIVE REVIEW AND APPROVAL.] *(a)* [REQUIREMENT.] *The commissioner shall prohibit those health care providers subject to retrospective review under subdivision 5 from making future major spending commitments or capital expenditures that are required to be reported under subdivision 4 for a period of up to five years, unless: (1) the provider has filed an application to proceed with the major spending commitment or capital expenditure with the commissioner and provided supporting documentation and evidence requested by the commissioner; and (2) the commissioner determines, based upon this documentation and evidence, that the spending commitment or capital expenditure is appropriate. The commissioner shall make a decision on a completed application within 60 days after an application is submitted. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care expenditures to review applications and make recommendations to the commissioner and the commission.*

(b) [EXCEPTIONS.] *This subdivision does not apply to:*

(1) a major spending commitment to replace existing equipment with

comparable equipment, if the old equipment will no longer be used in the state;

(2) a major spending commitment made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school, or by a federal or foundation grant, or clinical trials;

(3) a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided; and

(4) mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

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

(d) [PENALTIES AND REMEDIES.] *The commissioner of health shall have the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.*

Sec. 9. [62J.19] [SUBMISSION OF REGIONAL PLAN TO COMMISSIONER.]

Each regional coordinating organization shall submit its plan to the commissioner on or before June 30, 1993. In the event that any major provider, provider group or other entity within the region chooses to not participate in the regional planning process, the commissioner may require the participation of that entity in the planning process or adopt other rules or criteria for that entity. In the event that a region fails to submit a plan to the commissioner that satisfactorily promotes the objectives in section 62J.09, subdivisions 1 and 2, or where competing plans and regional coordination organizations exist, the commissioner has the authority to establish a public regional coordinating organization for purposes of establishing a regional plan which will achieve the objectives. The public regional coordinating organization shall be appointed by the commissioner and under the commissioner's direction.

Sec. 10. [62J.21] [REPORTING TO THE LEGISLATURE.]

The commissioner shall report to the legislature by January 1, 1993 regarding the process being made within each region with respect to the establishment of a regional coordinating organization and the development of a regional plan. In the event that the commissioner determines that any region is not making reasonable progress or a good-faith commitment towards establishing a regional coordinating organization and regional plan, the commissioner may establish a public regional board for this purpose. The commissioner's report should also include the issues, if any, raised during the planning process to date and request any appropriate legislate action that would facilitate the planning process.

Sec. 11. [62J.22] [PARTICIPATION OF FEDERAL PROGRAMS.]

The commissioner of health shall seek the full participation of federal health care programs under this chapter, including Medicare, medical assistance, veterans administration programs, and other federal programs. The

commissioner of human services shall under the direction of the health care commission submit waiver requests and take other action necessary to obtain federal approval to allow participation of the medical assistance program. Other state agencies shall provide assistance at the request of the commission. If federal approval is not given for one or more federal programs, data on the amount of health care spending that is collected under section 62J.04 shall be adjusted so that state and regional spending limits take into account the failure of the federal program to participate.

Sec. 12. [62J.23] [PROVIDER CONFLICTS OF INTEREST.]

Subdivision 1. [RULES PROHIBITING CONFLICTS OF INTEREST.] *The commissioner of health shall adopt rules restricting financial relationships or payment arrangements involving health care providers under which a provider benefits financially by referring a patient to another provider, recommending another provider, or furnishing or recommending an item or service. The rules must be compatible with, and no less restrictive than, the federal Medicare antikickback statute, in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and regulations adopted under it. However, the commissioner's rules may be more restrictive than the federal law and regulations and may apply to additional provider groups and business and professional arrangements. When the state rules restrict an arrangement or relationship that is permissible under federal laws and regulations, including an arrangement or relationship expressly permitted under the federal safe harbor regulations, the fact that the state requirement is more restrictive than federal requirements must be clearly stated in the rule.*

Subd. 2. [INTERIM RESTRICTIONS.] *From July 1, 1992, until rules are adopted by the commissioner under this section, the restrictions in the federal Medicare antikickback statutes in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and rules adopted under the federal statutes, apply to all health care providers in the state, regardless of whether the provider participates in any state health care program. The commissioner shall approve a transition plan submitted to the commissioner by January 1, 1993, by a provider who is in violation of this section that provides a reasonable time for the provider to modify prohibited practices or divest financial interests in other providers in order to come into compliance with this section.*

Subd. 3. [PENALTY.] *The commissioner may assess a fine against a provider who violates this section. The amount of the fine is $1,000 or 110 percent of the estimated financial benefit that the provider realized as a result of the prohibited financial arrangement or payment relationship, whichever is greater. A provider who is in compliance with a transition plan approved by the commissioner under subdivision 2, or who is making a good faith effort to obtain the commissioner's approval of a transition plan, is not in violation of this section.*

Sec. 13. [62J.25] [MANDATORY MEDICARE ASSIGNMENT.]

(a) Effective January 1, 1993, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 115 percent of the Medicare-approved amount for any Medicare-covered service provided.

(b) Effective January 1, 1994, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 110 percent of the Medicare-approved amount for any Medicare-covered service provided.

(c) Effective January 1, 1995, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 105 percent of the Medicare-approved amount for any Medicare-covered service provided.

(d) Effective January 1, 1996, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of the Medicare-approved amount for any Medicare-covered service provided.

(e) This section does not apply to ambulance services as defined in section 144.801, subdivision 4.

Sec. 14. [62J.29] [ANTITRUST EXCEPTIONS.]

Subdivision 1. [PURPOSE.] *The legislature finds that the goals of controlling health care costs and improving the quality of and access to health care services will be significantly enhanced by some cooperative arrangements involving providers or purchasers that would be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of this section is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the competitive marketplace. The legislature intends that approval of relationships be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power.*

Subd. 2. [REVIEW AND APPROVAL.] *The commissioner shall establish criteria and procedures to review and authorize contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state and further the policies and goals of this chapter. The commissioner shall not approve any application unless the commissioner finds that the proposed arrangement is likely to result in lower health care costs, or greater access to or quality of health care, than would occur in the competitive marketplace. The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of controlling costs or improving access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against any abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state. The commissioner shall actively monitor and regulate arrangements approved under this section to ensure that the arrangements remain in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.*

Subd. 3. [APPLICATIONS.] *Applications for approval under this section*

must be filed with the commissioner. An application for approval must describe the proposed arrangement in detail. The application must include at least: the identities of all parties, the intent of the arrangement, the expected effects of the arrangement, an explanation of how the arrangement will control costs or improve access or quality, and financial statements showing how the efficiencies of operation will be passed along to patients and purchasers of health care. The commissioner may ask the attorney general to comment on an application, but the application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust.

Subd. 4. [STATE ANTITRUST LAW.] *Notwithstanding the Minnesota antitrust law of 1971, as amended, in Minnesota Statutes, sections 325D.49 to 325D.66, contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that are approved by the commissioner under this section do not constitute an unlawful contract, combination, or conspiracy in unreasonable restraint of trade or commerce under Minnesota Statutes, sections 325D.49 to 325D.66. Approval by the state commission is an absolute defense against any action under state antitrust laws.*

Subd. 5. [RULEMAKING.] *The commissioner shall by January 1, 1994, adopt permanent rules to implement this section. The commissioner is exempt from rulemaking until January 1, 1994.*

Sec. 15. [HOSPITAL PLANNING TASK FORCE.]

The legislative commission on health care access shall convene a hospital health planning task force to undertake preliminary planning relating to cost containment, accessibility of health care services, and quality of care, and to develop options and recommendations to be presented to the legislative commission and to the Minnesota health care commission. The task force consists of interested representatives of Minnesota hospitals, the commissioner of health or the commissioner's representatives, and the members of the legislative commission or their representatives. The task force shall submit reports to the Minnesota health care commission by August 1, 1992, and July 1, 1993. The task force expires on August 1, 1993. The expenses and compensation of members is the responsibility of the institutions, organizations, or agencies they represent.

Sec. 16. [STUDY ON RECOVERY OF UNCOMPENSATED CARE COSTS.]

The commissioner of health shall study cost-shifting and uncompensated care costs in the health care industry. The commissioner shall recommend to the legislature by January 15, 1993, methods to recover from health care providers an amount equal to the share of uncompensated care costs shifted to other payers that are no longer incurred by the provider as uncompensated care costs, due to the availability of the health right plan.

Sec. 17. [STUDY OF HEALTH CARE MANAGEMENT COMPANIES.]

The commissioner of commerce and the commissioner of health shall study and make recommendations to the legislature regarding the regulation of health care management companies. The recommendations shall include, but are not limited to:

(1) the definition of a for-profit, and nonprofit health care management company;

(2) the scope and appropriateness of regulation of for-profit health care management companies, and of nonprofit health care management companies;

(3) the extent to which cost containment and expenditure targets can be attained or realized through regulation of health care management companies; and

(4) the relationship between health care management companies and health care providers, health care plans, health care technology entities, and other components of the health care system.

The commissioners of commerce and health shall present a joint report to the legislature on or before January 15, 1993.

Sec. 18. [STUDY OF HEALTH MAINTENANCE ORGANIZATION REGULATION.]

The commissioners of health and commerce shall jointly study the regulation of health maintenance organizations. The commissioners shall examine the level and type of regulation that is appropriate for the department of health and for the department of commerce and shall report to the legislature by January 15, 1993. The report must contain a consensus plan to transfer authority over the financial aspects of health maintenance organizations to the commissioner of commerce, while allowing the commissioner of health to retain authority over the health care quality aspects of health maintenance organizations.

Sec. 19. [STUDY OF MEDICARE ASSIGNMENT FOR HOME MEDICAL EQUIPMENT.]

The commissioner of health, in consultation with representatives of the home medical equipment industry, shall study the financial impact of the phase-in of mandatory Medicare assignment on the home medical equipment suppliers. The study must include an examination of charges for medical equipment, physician documentation of medical need for medical equipment, the appropriateness of federal guidelines regarding the treatment of assignment, and other factors related to Medicare assignment that may be unique to the home medical equipment industry. The commissioner shall present recommendations to the legislature by January 15, 1993.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 11; 12, subdivisions 1 and 2; and 13 to 19 are effective the day following final enactment. Section 12, subdivision 3, is effective July 1, 1993.

ARTICLE 2

SMALL EMPLOYER INSURANCE REFORM

Section 1. [62L.01] [CITATION.]

Subdivision 1. [POPULAR NAME.] *Sections 62L.01 to 62L.23 may be cited as the Minnesota small employer health benefit act.*

Subd. 2. [JURISDICTION.] *Sections 62L.01 to 62L.23 apply to any health carrier that offers, issues, delivers, or renews a health benefit plan to a small employer.*

Subd. 3. [LEGISLATIVE FINDINGS AND PURPOSE.] *The legislature finds that underwriting and rating practices in the individual and small*

employer markets for health coverage create substantial hardship and unfairness, create unnecessary administrative costs, and adversely affect the health of residents of this state. The legislature finds that the premium restrictions provided by this chapter reduce but do not eliminate these harmful effects. Accordingly, the legislature declares its desire to phase out the remaining rating bands as quickly as possible, with the end result of eliminating all rating practices based on risk by July 1, 1997.

Sec. 2. [62L.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *The definitions in this section apply to sections 62L.01 to 62L.23.*

Subd. 2. [ACTUARIAL OPINION.] *"Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.*

Subd. 3. [ASSOCIATION.] *"Association" means the health coverage reinsurance association.*

Subd. 4. [BASE PREMIUM RATE.] *"Base premium rate" means as to a rating period, the lowest premium rate charged or which could have been charged under the rating system by the health carrier to small employers for health benefit plans with the same or similar coverage.*

Subd. 5. [BOARD OF DIRECTORS.] *"Board of directors" means the board of directors of the health coverage reinsurance association.*

Subd. 6. [CASE CHARACTERISTICS.] *"Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier in accordance with this chapter, which are considered by the carrier in the determination of premium rates for the small employer.*

Subd. 7. [COINSURANCE.] *"Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies under the terms of a health benefit plan.*

Subd. 8. [COMMISSIONER.] *"Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative.*

Subd. 9. [CONTINUOUS COVERAGE.] *"Continuous coverage" means the maintenance of continuous and uninterrupted qualifying prior coverage by an eligible employee or dependent. An eligible employee or dependent is considered to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the qualifying prior coverage.*

Subd. 10. [DEDUCTIBLE.] *"Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.*

Subd. 11. [DEPENDENT.] *"Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child who is a full-time student under the age of 25 years as defined in section*

62A.301 and financially dependent upon the eligible employee, or dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2. For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Subd. 12. [ELIGIBLE CHARGES.] *"Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the health carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate health carrier is liable under the coordination of benefit provisions of the health benefit plan.*

Subd. 13. [ELIGIBLE EMPLOYEE.] *"Eligible employee" means an individual employed by a small employer for at least 20 hours per week and who has satisfied all employer participation and eligibility requirements, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days. The term includes a sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis.*

Subd. 14. [FINANCIALLY IMPAIRED CONDITION.] *"Financially impaired condition" means a situation in which a health carrier is not insolvent, but (1) is considered by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.*

Subd. 15. [HEALTH BENEFIT PLAN.] *"Health benefit plan" means a policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:*

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) long-term care insurance as defined in section 62A.46;

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the Federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended through December 31, 1991; or

(11) workers' compensation insurance.

For the purpose of this chapter, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Subd. 16. [HEALTH CARRIER.] *"Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended through December 31, 1991. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate carrier.*

Subd. 17. [HEALTH PLAN.] *"Health plan" means a health benefit plan issued by a health carrier, except that it may be issued:*

(1) to a small employer;

(2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or

(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 18. [INDEX RATE.] *"Index rate" means as to a rating period for small employers the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.*

Subd. 19. [LATE ENTRANT.] *"Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:*

(1) the individual was covered under qualifying existing coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the carrier a certificate of termination of the qualifying prior coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Subd. 20. [MCHA.] *"MCHA" means the Minnesota comprehensive health association established under section 62E.10.*

Subd. 21. [MEDICAL NECESSITY.] *"Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.*

Subd. 22. [MEMBERS.] *"Members" means the health carriers operating in the small employer market who may participate in the association.*

Subd. 23. [PREEXISTING CONDITION.] *"Preexisting condition" means a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or a pregnancy existing as of the effective date of coverage of a health benefit plan.*

Subd. 24. [QUALIFYING PRIOR COVERAGE OR QUALIFYING EXISTING COVERAGE.] *"Qualifying prior coverage" or "qualifying existing coverage" means health benefits or health coverage provided under:*

(1) a health plan, as defined in this section;

(2) Medicare;

(3) medical assistance under chapter 256B;

(4) general assistance medical care under chapter 256D;

(5) MCHA;

(6) a self-insured health plan;

(7) the health right plan established under section 256.936, subdivision 2, when the plan includes inpatient hospital services as provided in section 256.936, subdivision 2a, paragraph (c);

(8) a plan provided under section 43A.316; or

(9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Subd. 25. [RATING PERIOD.] *"Rating period" means the 12-month period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier. During the rating period, a health carrier may adjust the rate based on the prorated change in the index rate.*

Subd. 26. [SMALL EMPLOYER.] *"Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the*

preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association may elect to be considered to be a small employer, even though the association provides coverage to more than 29 employees of its members, so long as each employer that is provided coverage through the association qualifies as a small employer. An association's election to be considered a small employer under this section is not effective unless filed with the commissioner of commerce. The association may revoke its election at any time by filing notice of revocation with the commissioner.

Subd. 27. [SMALL EMPLOYER MARKET.] *(a) "Small employer market" means the market for health benefit plans for small employers.*

(b) A health carrier is considered to be participating in the small employer market if the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer; or (2) the eligible employees of a small employer offering a health benefit plan if, with the knowledge of the health carrier, both of the following conditions are met:

(i) any portion of the premium or benefits is paid for or reimbursed by a small employer; and

(ii) the health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of the Internal Revenue Code, section 106, 125, or 162.

Subd. 28. [SMALL EMPLOYER PLAN.] *"Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 62L.05.*

Sec. 3. [62L.03] [AVAILABILITY OF COVERAGE.]

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] *Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans to any small employer as provided in this chapter. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.*

Subd. 2. [EXCEPTIONS.] *(a) No health maintenance organization is*

required to offer coverage or accept applications under subdivision 1 in the case of the following:

(1) with respect to a small employer, where the worksite of the employees of the small employer is not physically located in the health maintenance organization's approved service areas; or

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas.

(b) A small employer carrier shall not be required to offer coverage or accept applications pursuant to subdivision 1 where the commissioner finds that the acceptance of an application or applications would place the small employer carrier in a financially impaired condition, provided, however, that a small employer carrier that has not offered coverage or accepted applications pursuant to this paragraph shall not offer coverage or accept applications for any health benefit plan until 180 days following a determination by the commissioner that the small employer carrier has ceased to be financially impaired.

Subd. 3. [MINIMUM PARTICIPATION.] *(a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan must be guaranteed coverage from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier may not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to coverage under another group health plan.*

(b) A health carrier may require that small employers contribute a specified minimum percentage toward the cost of the coverage of eligible employees, so long as the requirement is uniformly applied for all small employers. For the small employer plans, a health carrier must require that small employers contribute at least 50 percent of the cost of the coverage of eligible employees. The health carrier must impose this requirement on a uniform basis for both small employer plans and for all small employers.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Subd. 4. [UNDERWRITING RESTRICTIONS.] *Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be*

subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] *No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group. A health carrier may cancel or fail to renew a health benefit plan:*

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier;

(5) if the health carrier ceases to do business in the small employer market; or

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] *Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan. Unless otherwise permitted by this chapter, health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.*

Sec. 4. [62L.04] [COMPLIANCE REQUIREMENTS.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] *Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who satisfy the small employer participation requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring*

after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

Compliance with these requirements is required as of the first renewal date occurring after July 1, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall terminate any individual coverage for employees of small employers who satisfy the small employer participation requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

Subd. 2. [NEW CARRIERS.] *A health carrier entering the small employer market after July 1, 1993, shall begin complying with the requirements of this chapter as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after July 1, 1993, is considered to be a member of the health coverage reinsurance association as of the date of the health carrier's initial offer of a health benefit plan to a small employer.*

Sec. 5. [62L.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] *Each health carrier in the small employer market must make available to any small employer both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be $3,000 per individual and $6,000 per family per year. The maximum lifetime benefit must be $500,000. The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of $50 and must not be made unless at least that amount of adjustment is required.*

Subd. 2. [DEDUCTIBLE-TYPE SMALL EMPLOYER PLAN.] *The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be $500 per individual and $1,000 per family.*

Subd. 3. [COPAYMENT-TYPE SMALL EMPLOYER PLAN.] *The benefits of the copayment-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of the following copayments:*

(1) $15 per outpatient visit, other than to a hospital outpatient department or emergency room, urgent care center, or similar facility;

(2) $15 per day for the services of a home health agency or private duty

registered nurse;

(3) $50 per outpatient visit to a hospital outpatient department or emergency room, urgent care center, or similar facility; and

(4) $300 per inpatient admission to a hospital.

Subd. 4. [BENEFITS.] *The medical services and supplies listed in this subdivision are the benefits that must be covered by the small employer plans described in subdivisions 2 and 3:*

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care, or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician and nurse practitioner services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X-rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services, as defined in sections 62A.041 and 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) 60 hours per year of outpatient treatment of chemical dependency; and

(13) 50 percent of eligible charges for prescription drugs, up to a separate annual maximum out-of-pocket expense of $1,000 per individual for prescription drugs, and 100 percent of eligible charges thereafter.

Subd. 5. [PLAN VARIATIONS.] *(a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).*

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health care benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Subd. 6. [CHOICE PRODUCTS EXCEPTION.] *Nothing in subdivision 1 prohibits a health carrier from offering a small employer plan which provides for different benefit coverages based on whether the benefit is provided through a primary network of providers or through a secondary network of providers so long as the benefits provided in the primary network equal the benefit requirements of the small employer plan as described in this section. For purposes of products issued under this subdivision, out-of-pocket costs in the secondary network may exceed the out-of-pocket limits described in subdivision 1.*

Subd. 7. [BENEFIT EXCLUSIONS.] *No medical, hospital, or other health care benefits, services, supplies, or articles not expressly specified in subdivision 4 are required to be included in a small employer plan. Nothing in subdivision 4 restricts the right of a health carrier to restrict coverage to those services, supplies, or articles which are medically necessary. Health carriers may exclude a benefit, service, supply, or article not expressly specified in subdivision 4 from a small employer plan.*

Subd. 8. [CONTINUATION COVERAGE.] *Small employer plans must include the continuation of coverage provisions required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended through December 31, 1991, and by state law.*

Subd. 9. [DEPENDENT COVERAGE.] *Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children and dependents, and adopted children apply to a small employer plan. Health benefit plans that provide dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.*

Subd. 10. [MEDICAL EXPENSE REIMBURSEMENT.] *Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a small employer plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.*

Subd. 11. [PLAN DESIGN.] *Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer small employer plans through any provider arrangement, including, but not limited to, the use of open, closed, or limited provider networks. A health carrier may only use product and network designs currently allowed under existing statutory requirements. The provider networks offered by any health*

carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as all otherwise applicable regulatory requirements are met. Health carriers may use professionally recognized provider standards of practice when they are available, and may use utilization management practices otherwise permitted by law, including, but not limited to, second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management, and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a small employer plan.

Subd. 12. [DEMONSTRATION PROJECTS.] *Nothing in this chapter prohibits a health maintenance organization from offering a demonstration project authorized under section 62D.30. The commissioner of health may approve a demonstration project which offers benefits that do not meet the requirements of a small employer plan if the commissioner finds that the requirements of section 62D.30 are otherwise met.*

Sec. 6. [62L.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristics and other rating factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) provisions relating to renewability of coverage;

(5) the use and effect of any preexisting condition provisions, if permitted; and

(6) the application of any provider network limitations and their effect on eligibility for benefits.

Sec. 7. [62L.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] *Health benefit plans must require that small employers offering a health benefit plan maintain information verifying the continuing eligibility of the employer, its employees, and their dependents, and provide the information to health carriers on a quarterly basis or as reasonably requested by the health carrier.*

Subd. 2. [WAIVERS.] *Health benefit plans must require that small employers offering a health benefit plan maintain written documentation of a waiver of coverage by an eligible employee or dependent and provide the documentation to the health carrier upon reasonable request.*

Sec. 8. [62L.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] *Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.*

Subd. 2. [GENERAL PREMIUM VARIATIONS.] *Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner.*

Subd. 3. [AGE-BASED PREMIUM VARIATIONS.] *Beginning July 1, 1993, each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. In addition to the variation permitted by subdivision 2, each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.*

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] *A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than twenty percent. The commissioner may grant approval if the following conditions are met:*

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Subd. 5. [GENDER-BASED RATES PROHIBITED.] *Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents.*

Subd. 6. [RATE CELLS PERMITTED.] *Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage.*

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] *In developing its index rates and premiums, a health carrier may take into account only the following factors:*

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

Subd. 8. [FILING REQUIREMENT.] *No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates.*

Subd. 9. [EFFECT OF ASSESSMENTS.] *Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.*

Subd. 10. [RATING REPORT.] *Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self-insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.*

Sec. 9. [62L.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] *A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines.*

Subd. 2. [NOTICE TO EMPLOYERS.] *A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the small employer market shall continue to be governed by this chapter with respect to continuing small employer business conducted by the carrier.*

Subd. 3. [REENTRY PROHIBITION.] *A health carrier that ceases to do business in the small employer market after July 1, 1993, is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the small employer market in that same service area.*

Subd. 4. [CONTINUING ASSESSMENT LIABILITY.] *A health carrier that ceases to do business in the small employer market remains liable for assessments levied by the association as provided in section 62L.22.*

Sec. 10. [62L.10] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] *A health carrier doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier complied with the underwriting and rating requirements of this chapter during the preceding year and that the rating methods used by the health carrier were actuarially sound. A health carrier shall retain a copy of the opinion at its principal place of business.*

Subd. 2. [RECORDS.] *A health carrier doing business in the small employer market shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.*

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] *Subsequent to the annual filing, the commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles and the requirements of this chapter. Except in cases of violations of this chapter or of another chapter, information received by the commissioner as provided under this subdivision is nonpublic.*

Subd. 4. [REVIEW OF PREMIUM RATES.] *The commissioner shall regulate premium rates charged or proposed to be charged by all health carriers in the small employer market under section 62A.02. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.*

Subd. 5. [TRANSITIONAL PRACTICES.] *The commissioner shall disapprove index rates, premium variations, or other practices of a health carrier if they violate the spirit of this chapter and are the result of practices engaged in by the health carrier between the date of final enactment of this act and July 1, 1993, where the practices engaged in were carried out for the purpose of evading the spirit of this chapter. Each health carrier shall report to the commissioner, within 30 days and on a form prescribed by the commissioner, each cancellation, nonrenewal, or other termination of coverage of a small employer between the date of final enactment of this act and June 30, 1993. The health carrier shall provide any related information requested by the commissioner within the time specified in the request. Any health carrier that engages in a practice of terminating or inducing termination of coverage of small employers in order to evade the effects of this act, is guilty of an unfair method of competition and an unfair or deceptive act or practice in the business of insurance and is subject to the remedies provided in sections 72A.17 to 72A.32.*

Sec. 11. [62L.11] [PENALTIES AND ENFORCEMENT.]

Subdivision 1. [DISCIPLINARY PROCEEDINGS.] *The commissioner may, by order, suspend or revoke a health carrier's license or certificate of authority and impose a monetary penalty not to exceed $25,000 for each violation of this chapter, including the failure to pay an assessment required by section 62L.22. The notice, hearing, and appeal procedures specified in section 60A.051 or 62D.16, as appropriate, apply to the order. The order is subject to judicial review as provided under chapter 14.*

Subd. 2. [ENFORCEMENT POWERS.] *The commissioners of health and commerce each has for purposes of this chapter all of each commissioner's respective powers under other chapters that are applicable to their respective duties under this chapter.*

Sec. 12. [62L.12] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] *A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual policy, subscriber contract, or certificate to an eligible employee or dependent of a small employer that meets the minimum participation requirements defined in section 62L.03, subdivision 3, except as authorized under subdivision 2.*

Subd. 2. [EXCEPTIONS.] *(a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.*

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual coverage if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group coverage or due to the person's need for health care services not covered under the employer's group policy.

(f) A health carrier may sell, issue, or renew an individual policy, with the prior consent of the commissioner, if the individual has elected to buy the individual coverage not as part of a general plan to substitute individual coverage for group coverage nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

Subd. 3. [AGENT'S LICENSURE.] *An agent licensed under chapter 60A or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual policies to eligible employees and dependents of a small employer that meets the participation requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to the revocation or suspension of license under section 60A.17, subdivision 6c, or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60A.17, subdivision 6d. The action of the commissioner is subject to judicial review as provided under chapter 14.*

Subd. 4. [EMPLOYER PROHIBITION.] *A small employer shall not encourage or direct an employee or applicant to:*

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] *A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6.*

Sec. 13. [62L.13] [REINSURANCE ASSOCIATION.]

Subdivision 1. [CREATION.] *The health coverage reinsurance association is established as a nonprofit corporation. All health carriers in the small employer market shall be and remain members of the association as a condition of their authority to transact business.*

Subd. 2. [PURPOSE.] *The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool established and maintained by the association.*

Subd. 3. [EXEMPTIONS.] *The association, its transactions, and all property owned by it are exempt from taxation under the laws of this state or any of its subdivisions, including, but not limited to, income tax, sales tax, use tax, and property tax. The association may seek exemption from payment of all fees and taxes levied by the federal government. Except as otherwise provided in this chapter, the association is not subject to the provisions of chapters 13, 14, 60A, 62A to 62H, and section 471.705. The association is not a public employer and is not subject to the provisions of chapters 179A and 353. Health carriers who are members of the association are exempt from the provisions of sections 325D.49 to 325D.66 in the performance of their duties as members of the association.*

Subd. 4. [POWERS OF ASSOCIATION.] *The association may exercise all of the powers of a corporation formed under chapter 317A, including, but not limited to, the authority to:*

(1) establish operating rules, conditions, and procedures relating to the reinsurance of members' risks;

(2) assess members in accordance with the provisions of this section and to make advance interim assessments as may be reasonable and necessary for organizational and interim operating expenses;

(3) sue and be sued, including taking any legal action necessary to recover any assessments;

(4) enter into contracts necessary to carry out the provisions of this chapter;

(5) establish operating, administrative, and accounting procedures for the operation of the association; and

(6) borrow money against the future receipt of premiums and assessments up to the amount of the previous year's assessment, with the prior approval of the commissioner.

The provisions of this chapter govern if the provisions of chapter 317A conflict with this chapter. The association shall adopt bylaws and shall be governed in accordance with this chapter and chapter 317A.

Subd. 5. [SUPERVISION BY COMMISSIONER.] *The commissioner of commerce shall supervise the association in accordance with this chapter. The commissioner of commerce may examine the association. The association's reinsurance policy forms, its contracts, its premium rates, and its assessments are subject to the approval of the commissioner of commerce. The association's policy forms, contracts, and premium rates are deemed approved if not disapproved by the commissioner of commerce within 60 days after the date of filing them with the commissioner of commerce. The association's assessments are deemed approved if not disapproved by the commissioner of commerce within 15 business days after filing them with the commissioner of commerce. The association shall notify the commissioner of all association or board meetings, and the commissioner or the commissioner's designee may attend all association or board meetings. The association shall file an annual report with the commissioner on or before July 1 of each year, beginning July 1, 1994, describing its activities during the preceding calendar year. The report must include a financial report and a summary of claims paid by the association. The annual report must be available for public inspection.*

Sec. 14. [62L.14] [BOARD OF DIRECTORS.]

Subdivision 1. [COMPOSITION OF BOARD.] *The association shall exercise its powers through a board of 13 directors. Four members must be public members appointed by the commissioner. The public members must not be employees of or otherwise affiliated with any member of the association. The nonpublic members of the board must be representative of the membership of the association and must be officers, employees, or directors of the members during their term of office. No member of the association may have more than three members of the board. Directors are automatically removed if they fail to satisfy this qualification.*

Subd. 2. [ELECTION OF BOARD.] *On or before July 1, 1992, the commissioner shall appoint an interim board of directors of the association who shall serve through the first annual meeting of the members and for the next two years. Except for the public members, the commissioner's initial appointments must be equally apportioned among the following three categories: accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Thereafter, members of the association shall elect the board of directors in accordance with this chapter and the bylaws of the association, subject to approval by the commissioner. Members of the association may vote in person or by proxy. The public members shall continue to be appointed by the commissioner.*

Subd 3. [TERM OF OFFICE.] *The first annual meeting must be held by December 1, 1992. After the initial two-year period, each director shall*

serve a three-year term, except that the board shall make appropriate arrangements to stagger the terms of the board members so that approximately one-third of the terms expire each year. Each director shall hold office until expiration of the director's term or until the director's successor is duly elected or appointed and qualified, or until the director's death, resignation, or removal.

Subd. 4. [RESIGNATION AND REMOVAL.] *A director may resign at any time by giving written notice to the commissioner. The resignation takes effect at the time the resignation is received unless the resignation specifies a later date. A nonpublic director may be removed at any time, with cause, by the members.*

Subd. 5. [QUORUM.] *A majority of the members of the board of directors constitutes a quorum for the transaction of business. If a vacancy exists by reason of death, resignation, or otherwise, a majority of the remaining directors constitutes a quorum.*

Subd. 6. [DUTIES OF DIRECTORS.] *The board of directors shall adopt or amend the association's bylaws. The bylaws may contain any provision for the purpose of administering the association that is not inconsistent with this chapter. The board shall manage the association in furtherance of its purposes and as provided in its bylaws. On or before January 1, 1993, the board or the interim board shall develop a plan of operation and reasonable operating rules to assure the fair, reasonable, and equitable administration of the association. The plan of operation must include the development of procedures for selecting an administering carrier, establishment of the powers and duties of the administering carrier, and establishment of procedures for collecting assessments from members, including the imposition of interest penalties for late payments of assessments. The plan of operation must be submitted to the commissioner for review and approval and must be submitted to the members for approval at the first meeting of the members. The board of directors may subsequently amend, change, or revise the plan of operation without approval by the members.*

Subd. 7. [COMPENSATION.] *Members of the board may be reimbursed by the association for reasonable and necessary expenses incurred by them in performing their duties as directors, but shall not otherwise be compensated by the association for their services.*

Subd. 8. [OFFICERS.] *The board may elect officers and establish committees as provided in the bylaws of the association. Officers have the authority and duties in the management of the association as prescribed by the bylaws and determined by the board of directors.*

Subd. 9. [MAJORITY VOTE.] *Approval by a majority of the board members present is required for any action of the board. The majority vote must include one vote from a board member representing an accident and health insurance company, one vote from a board member representing a health service plan corporation, one vote from a board member representing a health maintenance organization, and one vote from a public member.*

Sec. 15. [62L.15] [MEMBERS.]

Subdivision 1. [ANNUAL MEETING.] *The association shall conduct an annual meeting of the members of the association for the purpose of electing directors and transacting any other appropriate business of the membership of the association. The board shall determine the date, time, and place of the annual meeting. The association shall conduct its first annual member*

meeting on or before December 1, 1992.

Subd. 2. [SPECIAL MEETINGS.] *Special meetings of the members must be held whenever called by any three of the directors. At least two categories must be represented among the directors calling a special meeting of the members. The categories are accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Special meetings of the members must be held at a time and place designated in the notice of the meeting.*

Subd. 3. [MEMBER VOTING.] *Each member's vote is a weighted vote and is based on each member's total insurance premiums, subscriber contract charges, health maintenance contract payments, or other health benefit plan revenue derived from, or on behalf of, small employers during the preceding calendar year, as determined by the board and approved by the commissioner, based on annual statements and other reports considered necessary by the board of directors.*

Subd. 4. [INITIAL MEMBER MEETING.] *At least 60 days before the first annual meeting of the members, the commissioner shall give written notice to all members of the time and place of the member meeting. The members shall elect directors representing the members, approve the initial plan of operation of the association, and transact any other appropriate business of the membership of the association.*

Subd. 5. [MEMBER COMPLIANCE.] *All members shall comply with the provisions of this chapter, the association's bylaws, the plan of operation developed by the board of directors, and any other operating, administrative, or other procedures established by the board of directors for the operation of the association. The board may request the commissioner to secure compliance with this chapter through the use of any enforcement action otherwise available to the commissioner.*

Sec. 16. [62L.16] [ADMINISTRATION OF ASSOCIATION.]

Subdivision 1. [ADMINISTRATOR.] *The association shall contract with a qualified entity to operate and administer the association. If there is no available qualified entity, or in the event of a termination under subdivision 2, the association may directly operate and administer the reinsurance program. The administrator shall perform all administrative functions required by this chapter. The board of directors shall develop administrative functions required by this chapter and written criteria for the selection of an administrator. The administrator must be selected by the board of directors, subject to approval by the commissioner.*

Subd. 2. [TERM.] *The administrator shall serve for a period of three years, unless the administrator requests the termination of its contract and the termination is approved by the board of directors. The board of directors shall approve or deny a request to terminate within 90 days of its receipt after consultation with the commissioner. A failure to make a final decision on a request to terminate within 90 days is considered an approval.*

Subd. 3. [DUTIES OF ADMINISTRATOR.] *The association shall enter into a written contract with the administrator to carry out its duties and responsibilities. The administrator shall perform all administrative functions required by this chapter including the:*

(1) preparation and submission of an annual report to the commissioner;

(2) preparation and submission of monthly reports to the board of

directors;

(3) calculation of all assessments and the notification thereof of members;

(4) payment of claims to health carriers following the submission by health carriers of acceptable claim documentation; and

(5) provision of claim reports to health carriers as determined by the board of directors.

Subd. 4. [BID PROCESS.] *The association shall issue a request for proposal for administration of the reinsurance association and shall solicit responses from health carriers participating in the small employer market and from other qualified entities. Methods of compensation of the administrator must be a part of the bid process. The administrator shall substantiate its cost reports consistent with generally accepted accounting principles.*

Subd. 5. [AUDITS.] *The board of directors may conduct periodic audits to verify the accuracy of financial data and reports submitted by the administrator.*

Subd. 6. [RECORDS OF ASSOCIATION.] *The association shall maintain appropriate records and documentation relating to the activities of the association. All individual patient-identifying claims data and information are confidential and not subject to disclosure of any kind, except that a health carrier shall have access upon request to individual claims data relating to eligible employees and dependents covered by a health benefit plan issued by the health carrier. All records, documents, and work product prepared by the association or by the administrator for the association are the property of the association. The commissioner shall have access to the data for the purposes of carrying out the supervisory functions provided for in this chapter.*

Sec. 17. [62L.17] [PARTICIPATION IN THE REINSURANCE ASSOCIATION.]

Subdivision 1. [MINIMUM STANDARDS.] *The board of directors or the interim board shall establish minimum claim processing and managed care standards which must be met by a health carrier in order to reinsure business.*

Subd. 2. [PARTICIPATION.] *A health carrier may elect to not participate in the reinsurance association through transferring risk only after filing an application with the commissioner of commerce. The commissioner may approve the application after consultation with the board of directors. In determining whether to approve an application, the commissioner shall consider whether the health carrier meets the following standards:*

(1) demonstration by the health carrier of a substantial and established market presence;

(2) demonstrated experience in the small group market and history of rating and underwriting small employer groups;

(3) commitment to comply with the requirements of this chapter for small employers in the state or its service area; and

(4) financial ability to assume and manage the risk of enrolling small employer groups without the protection of the reinsurance.

Initial application for nonparticipation must be filed with the commissioner no later than February 1993. The commissioner shall make the determination and notify the carrier no later than April 15, 1993.

Subd. 3. [LENGTH OF PARTICIPATION.] *A health carrier's initial election is for a period of two years. Subsequent elections of participation are for five-year periods.*

Subd. 4. [APPEAL.] *A health carrier whose application for nonparticipation has been rejected by the commissioner may appeal the decision. The association may also appeal a decision of the commissioner, if approved by a two-thirds majority of the board. Chapter 14 applies to all appeals.*

Subd. 5. [ANNUAL CERTIFICATION.] *A health carrier that has received approval to not participate in the reinsurance association shall annually certify to the commissioner on or before December 1 that it continues to meet the standards described in subdivision 2.*

Subd. 6. [SUBSEQUENT ELECTION.] *Election to participate in the reinsurance association must occur on or before December 31 of each year. If after a period of nonparticipation, the nonparticipating health carrier subsequently elects to participate in the reinsurance association, the health carrier retains the risk it assumed when not participating in the association.*

If a participating health carrier subsequently elects to not participate in the reinsurance association, the health carrier shall cease reinsuring through the association all of its small employer business and is liable for any assessment described in section 62L.22 which has been prorated based on the business covered by the reinsurance mechanism during the year of the assessment.

Subd. 7. [ELECTION MODIFICATION.] *The commissioner, after consultation with the board, may authorize a health carrier to modify its election to not participate in the association at any time, if the risk from the carrier's existing small employer business jeopardizes the financial condition of the health carrier. If the commissioner authorizes a health carrier to participate in the association, the health carrier shall retain the risk it assumed while not participating in the association. This election option may not be exercised if the health carrier is in rehabilitation.*

Sec. 18. [62L.18] [CEDING OF RISK.]

Subdivision 1. [PROSPECTIVE CEDING.] *For health benefit plans issued on or after July 1, 1993, all health carriers participating in the association may prospectively reinsure an employee or dependent within a small employer group and entire employer groups of seven or fewer eligible employees. A health carrier must determine whether to reinsure an employee or dependent or entire group within 60 days of the commencement of the coverage of the small employer and must notify the association during that time period.*

Subd. 2. [ELIGIBILITY FOR REINSURANCE.] *A health carrier may not reinsure existing small employer business through the association. A health carrier may reinsure an employee or dependent who previously had coverage from MCHA who is now eligible for coverage through the small employer group at the time of enrollment as defined in section 62L.03, subdivision 6. A health carrier may not reinsure individuals who have existing individual health care coverage with that health carrier upon replacement of the individual coverage with group coverage as provided in*

section 62L.04, subdivision 1.

Subd. 3. [REINSURANCE TERMINATION.] *A health carrier may terminate reinsurance through the association for an employee or dependent or entire group on the anniversary date of coverage for the small employer. If the health carrier terminates the reinsurance, the health carrier may not subsequently reinsure the individual or entire group.*

Subd. 4. [CONTINUING CARRIER RESPONSIBILITY.] *A health carrier transferring risk to the association is completely responsible for administering its health benefit plans. A health carrier shall apply its case management and claim processing techniques consistently between reinsured and nonreinsured business. Small employers, eligible employees, and dependents shall not be notified that the health carrier has reinsured their coverage through the association.*

Sec. 19. [62L.19] [ALLOWED REINSURANCE BENEFITS.]

A health carrier may reinsure through the association only those benefits described in section 62L.05.

Sec. 20. [62L.20] [TRANSFER OF RISK.]

Subdivision 1. [REINSURANCE THRESHOLD.] *A health carrier participating in the association may transfer up to 90 percent of the risk above a reinsurance threshold of $5,000 of eligible charges resulting from issuance of a health benefit plan to an eligible employee or dependent of a small employer group whose risk has been prospectively ceded to the association. If the eligible charges exceed $50,000, a health carrier participating in the association may transfer 100 percent of the risk each policy year not to exceed 12 months.*

Satisfaction of the reinsurance threshold must be determined by the board of directors based on eligible charges. The board may establish an audit process to assure consistency in the submission of charge calculations by health carriers to the association.

Subd. 2. [CONVERSION FACTORS.] *The board shall establish a standardized conversion table for determining equivalent charges for health carriers that use alternative provider reimbursement methods. If a health carrier establishes to the board that the carrier's conversion factor is equivalent to the association's standardized conversion table, the association shall accept the health carrier's conversion factor.*

Subd. 3. [BOARD AUTHORITY.] *The board shall establish criteria for changing the threshold amount or retention percentage. The board shall review the criteria on an annual basis. The board shall provide the members with an opportunity to comment on the criteria at the time of the annual review.*

Subd. 4. [NOTIFICATION OF TRANSFER OF RISK.] *A participating health carrier must notify the association, within 90 days of receipt of proof of loss, of satisfaction of a reinsurance threshold. After satisfaction of the reinsurance threshold, a health carrier continues to be liable to its providers, eligible employees, and dependents for payment of claims in accordance with the health carrier's health benefit plan. Health carriers shall not pend or delay payment of otherwise valid claims due to the transfer of risk to the association.*

Subd. 5. [PERIODIC STUDIES.] *The board shall, on a biennial basis,*

prepare and submit a report to the commissioner of commerce on the effect of the reinsurance association on the small employer market. The first study must be presented to the commissioner no later than January 1, 1995, and must specifically address whether there has been disruption in the small employer market due to unnecessary churning of groups for the purpose of obtaining reinsurance and whether it is appropriate for health carriers to transfer the risk of their existing small group business to the reinsurance association. After two years of operation, the board shall study both the effect of ceding both individuals and entire small groups of seven or fewer eligible employees to the reinsurance association and the composition of the board and determine whether the initial appointments reflect the types of health carriers participating in the reinsurance association and whether the voting power of members of the association should be weighted and recommend any necessary changes.

Sec. 21. [62L.21] [REINSURANCE PREMIUMS.]

Subdivision 1. [MONTHLY PREMIUM.] *A health carrier ceding an individual to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 5.0 times the adjusted average market price. A health carrier ceding an entire group to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 1.5 times the adjusted average market price. The adjusted average market premium price must be established by the board of directors in accordance with its plan of operation. The board may consider benefit levels in establishing the reinsurance coverage premium.*

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] *The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made annually on a retrospective basis. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.*

Subd. 3. [LIABILITY FOR PREMIUM.] *A health carrier is liable for the cost of the reinsurance premium and may not directly charge the small employer for the costs. The reinsurance premium may be reflected only in the rating factors permitted in section 62L.08, as provided in section 62L.08, subdivision 10.*

Sec. 22. [62L.22] [ASSESSMENTS.]

Subdivision 1. [ASSESSMENT BY BOARD.] *For the purpose of providing the funds necessary to carry out the purposes of the association, the board of directors shall assess members as provided in subdivisions 2, 3, and 4 at the times and for the amounts the board of directors finds necessary. Assessments are due and payable on the date specified by the board of directors, but not less than 30 days after written notice to the member. Assessments accrue interest at the rate of six percent per year on or after the due date.*

Subd. 2. [INITIAL CAPITALIZATION.] *The interim board of directors shall determine the initial capital operating requirements for the association. The board shall assess each licensed health carrier $100 for the initial*

capital requirements of the association. The assessment is due and payable no later than January 1, 1993.

Subd. 3. [RETROSPECTIVE ASSESSMENT.] *On or before July 1 of each year, the administering carrier shall determine the association's net loss, if any, for the previous calendar year, the program expenses of administration, and other appropriate gains and losses. If reinsurance premium charges are not sufficient to satisfy the operating and administrative expenses incurred or estimated to be incurred by the association, the board of directors shall assess each member participating in the association in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessments must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment shall not exceed four percent of the member's small group market premium. In establishing this assessment, the board shall consider a formula based on total small employer premiums earned and premiums earned from newly issued small employer plans. A member's assessment may not be reduced or increased by more than 50 percent as a result of using that formula, which includes a reasonable cap on assessments on any premium category or premium classification. The board of directors may provide for interim assessments as it considers necessary to appropriately carry out the association's responsibilities. The board of directors may establish operating rules to provide for changes in the assessment calculation.*

Subd. 4. [ADDITIONAL ASSESSMENTS.] *If the board of directors determines that the retrospective assessment formula described in subdivision 3 is insufficient to meet the obligations of the association, the board of directors shall assess each member not participating in the reinsurance association, but which is providing health plan coverage in the small employer market, in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessment must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment may not exceed one percent of the member's small group market premium. Members who paid the retrospective assessment described in subdivision 3 are not subject to the additional assessment.*

If the additional assessment is insufficient to meet the obligations of the association, the board of directors may assess members participating in the association who paid the retrospective assessment described in subdivision 3 up to an additional one percent of the member's small group market premium.

Subd. 5. [ABATEMENT OR DEFERMENT.] *The association may abate or defer, in whole or in part, the retrospective assessment of a member if, in the opinion of the commissioner, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations or the member is placed under an order of rehabilitation, liquidation, receivership, or conservation by a court of competent jurisdiction. In the event that a retrospective assessment against a member is abated or deferred, in whole*

or in part, the amount by which the assessment is abated or deferred may be assessed against other members in accordance with the methodology specified in subdivisions 3 and 4.

Subd. 6. [REFUND.] *The board of directors may refund to members, in proportion to their contributions, the amount by which the assets of the association exceed the amount the board of directors finds necessary to carry out its responsibilities during the next calendar year. A reasonable amount may be retained to provide funds for the continuing expenses of the association and for future losses.*

Subd. 7. [APPEALS.] *A health carrier may appeal to the commissioner of commerce within 30 days of notice of an assessment by the board of directors. A final action or order of the commissioner is subject to judicial review in the manner provided in chapter 14.*

Subd. 8. [LIABILITY FOR ASSESSMENT.] *Employer liability for other costs of a health carrier resulting from assessments made by the association under this section are limited by the rate spread restrictions specified in section 62L.08.*

Sec. 23. [62L.23] [LOSS RATIO STANDARDS.]

Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

Sec. 24. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study and provide a written report and recommendations to the legislature that analyze the effects of this article and future measures that the legislature could enact to achieve the purpose set forth in section 62L.01, subdivision 3. The commissioner shall study, report, and make recommendations on the following:

(1) the effects of this article on availability of coverage, average premium rates, variations in premium rates, the number of uninsured and underinsured residents of this state, the types of health benefit plans chosen by employers, and other effects on the market for health benefit plans for small employers;

(2) the desirability and feasibility of achieving the goal stated in section 62L.01, subdivision 3, in the small employer market by means of the following timetable:

(i) as of July 1, 1995, a reduction of the age rating bands to 30 percent on each side of the index rate, accompanied by a proportional reduction of the general premium rating bands to 15 percent on each side of the index rate;

(ii) as of July 1, 1996, a reduction in the bands referenced in the preceding clause to 15 percent and 7.5 percent respectively; and

(iii) as of July 1, 1997, a ban on all rating bands; and

(3) Any other aspects of the small employer market considered relevant by the commissioner.

The commissioner shall file the written report and recommendations with the legislature no later than December 1, 1994.

Sec. 25. [EFFECTIVE DATES.]

Sections 1 to 12 and 23 are effective July 1, 1993, except that section 10, subdivision 5, is effective the day following final enactment. Sections 13 to 22 are effective the day following final enactment.

ARTICLE 3

INSURANCE REFORM: INDIVIDUAL MARKET AND MISCELLANEOUS

Section 1. [43A.317] [PRIVATE EMPLOYERS INSURANCE PROGRAM.]

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

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

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

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

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

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

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

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

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

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

Subd. 4. [ADVISORY COMMITTEE.] *The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration*

of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.

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

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

(c) [MINNESOTA WORK FORCE.] *An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.*

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

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

(f) [MINIMUM PARTICIPATION.] *The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.*

(g) [EMPLOYER CONTRIBUTION.] *The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.*

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

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

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

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

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

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

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

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

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

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) [WAIVER AND LATE ENTRANCE.] *An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.*

(e) [CONTINUATION COVERAGE.] *The program shall provide all continuation coverage required by state and federal law.*

Subd. 7. [COVERAGE.] *Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers.*

(a) [HEALTH COVERAGE.] *Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal*

Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees.

(b) [OPTIONAL COVERAGES.] *In addition to offering health coverage, the commissioner may arrange to offer dental coverage through the program. Employers with health coverage may choose to offer dental coverage according to the terms established by the commissioner.*

(c) [OPEN ENROLLMENT.] *The program must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.*

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

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

(b) [RATING METHOD.] *The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. Premiums must be established so as to recover and repay within five years after July 1, 1993, any direct appropriations received to provide start-up administrative costs. Premiums must be established so as to recover and repay within five years after July 1, 1993, any direct appropriations received to establish initial reserves.*

(c) [TAXES AND ASSESSMENTS.] *To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the premium taxes imposed by sections 60A.15 and 60A.198, but the program is subject to a Minnesota comprehensive health association assessment under section 62E.11.*

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

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

(c) [RESERVES.] *For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves:*

(1) for claims in process, incomplete and unreported claims, premiums

received but not yet earned, and all other accrued liabilities; and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.

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

Subd. 10. [PROGRAM STATUS.] *The private employers insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable. Coverage is subject to section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.*

Subd. 11. [EVALUATION.] *The commissioner shall report to the legislature on December 15, 1995. The report must provide a detailed summary of all direct and indirect administrative costs associated with the program, and must include an analysis of whether the program (1) is providing coverage to persons who would otherwise be unable to purchase coverage in the private sector; (2) will provide coverage at lower premium costs without ongoing state subsidy; (3) will provide coverage to persons in geographic areas of the state where coverage options would otherwise be limited; and (4) will fulfill the intent of the legislature.*

Sec. 2. [62A.011] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *For purposes of this chapter, the terms defined in this section have the meanings given.*

Subd. 2. [HEALTH CARRIER.] *"Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a fraternal benefit society operating under chapter 64B; or a joint self-insurance employee health plan operating under chapter 62H.*

Subd. 3. [HEALTH PLAN.] *"Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified.*

Sec. 3. Minnesota Statutes 1990, section 62A.02, subdivision 1, is

amended to read:

Subdivision 1. [FILING.] No ~~policy of accident and sickness insurance~~ *health plan as defined in section 62A.011* shall be issued or delivered to any person in this state, nor shall any application, rider, or endorsement be used in connection ~~therewith~~ *with the health plan*, until a copy of ~~the~~ *its* form ~~thereof~~ and of the classification of risks and the premium rates pertaining ~~thereto~~ *to the form* have been filed with the commissioner. The filing for nongroup ~~policies~~ *health plan forms* shall include a statement of actuarial reasons and data to support the ~~need for any premium~~ rate ~~increase~~. *For health benefit plans as defined in section 62L.02, and for health plans to be issued to individuals, the health carrier shall file with the commissioner the information required in section 62L.08, subdivision 8. For group health plans for which approval is sought for sales only outside of the small employer market as defined in section 62L.02, this section applies only to policies or contracts of accident and sickness insurance. All forms intended for issuance in the individual or small employer market must be accompanied by a statement as to the expected loss ratio for the form. Premium rates and forms relating to specific insureds or proposed insureds, whether individuals or groups, need not be filed, unless requested by the commissioner.*

Sec. 4. Minnesota Statutes 1990, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] ~~No such policy~~ *The health plan form* shall *not* be issued, nor shall any application, rider, ~~or~~ endorsement, *or rate* be used in connection ~~therewith~~ *with it*, until the expiration of 60 days after it has been ~~so~~ filed unless the commissioner ~~shall sooner give written approval thereto~~ *approves it before that time*.

Sec. 5. Minnesota Statutes 1990, section 62A.02, subdivision 3, is amended to read:

Subd. 3. [*STANDARDS FOR* DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form *or rate*, disapprove the form *or rate*:

(1) if the benefits provided ~~therein~~ are ~~unreasonable~~ *not reasonable* in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the ~~policy~~ *health plan form, or otherwise does not comply with this chapter, chapter 62L, or chapter 72A*; ~~or~~

(3) if the proposed premium rate is excessive ~~because the insurer has failed to exercise reasonable cost control~~ *or not adequate; or*

(4) the actuarial reasons and data submitted do not justify the rate.

The party proposing a rate has the burden of proving by a preponderance of the evidence that it does not violate this subdivision.

In determining the reasonableness of a rate, the commissioner shall also review all administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreement and effect of the contracts on the rate. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove any rate that reflects any unreasonable cost arising out of the contract or

agreement. The commissioner may require any information that the commissioner deems necessary to determine the reasonableness of the cost.

For the purposes of ~~clause (1)~~ *this subdivision*, the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the policy. ~~For the purposes of this subdivision,~~ "Anticipated loss ratio" means the ratio at the time of ~~form~~ filing, *at the time of notice of withdrawal under subdivision 4a*, or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. ~~Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the premium charged.~~

If the commissioner notifies ~~an insurer which~~ *a health carrier that* has filed any form *or rate* that ~~the form~~ *it* does not comply with ~~the provisions of~~ this ~~section or sections 62A.03 to 62A.05 and 72A.20~~ *chapter, chapter 62L, or chapter 72A*, it shall be unlawful ~~thereafter~~ for the ~~insurer~~ *health carrier* to issue *or use* the form or ~~use it in connection with any policy~~ *rate*. In the notice the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within 20 days after request in writing by the ~~insurer~~ *health carrier*.

The 60-day period within which the commissioner is to approve or disapprove the form or rate does not begin to run until a complete filing of all data and materials required by statute or requested by the commissioner has been submitted.

However, if the supporting data is not filed within 30 days after a request by the commissioner, the rate is not effective and is presumed to be an excessive rate.

Sec. 6. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 4a. [WITHDRAWAL OF APPROVAL.] *The commissioner may, at any time after a 20-day written notice has been given to the insurer, withdraw approval of any form or rate that has previously been approved on any of the grounds stated in this section. It is unlawful for the health carrier to issue a form or rate or use it in connection with any health plan after the effective date of the withdrawal of approval. The notice of withdrawal of approval must advise the health carrier of the right to a hearing under the contested case procedures of chapter 14, and must specify the matters to be considered at the hearing.*

The commissioner may request an health carrier to provide actuarial reasons and data, as well as other information, needed to determine if a previously approved rate continues to satisfy the requirements of this section. If the requested information is not provided within 30 days after request by the commissioner, the rate is presumed to be an excessive rate.

Sec. 7. Minnesota Statutes 1990, section 62A.02, is amended by adding

a subdivision to read:

Subd. 5a. [HEARING.] *The health carrier must request a hearing before the 20-day notice period has ended, or the commissioner's order is final. A request for hearing stays the commissioner's order until the commissioner notifies the health carrier of the result of the hearing. The commissioner's order may require the modification of any rate or form and may require continued coverage to persons covered under a health plan to which the disapproved form or rate applies.*

Sec. 8. [62A.021] [HEALTH CARE POLICY RATES.]

Subdivision 1. [LOSS RATIO STANDARDS.] *Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policy form or certificate form, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. A health carrier shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. Assessments by the reinsurance association created in chapter 62L and any types of taxes, surcharges, or assessments created by this act or created on or after the date of final enactment of this act are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, until an 80 percent loss ratio is reached on July 1, 1998. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, until a 70 percent loss ratio is reached on July 1, 1998. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.*

Notwithstanding section 645.26, any act enacted at this session that amends or repeals section 62A.135 or that otherwise changes the loss ratios provided in that section is void.

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

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state

shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

Subd. 2. [COMPLIANCE AUDIT.] *The commissioner has the authority to audit any health carrier to assure compliance with this section. Health carriers shall retain at their principal place of business information necessary for the commissioner to perform compliance audits.*

Sec. 9. [62A.302] [COVERAGE OF DEPENDENTS.]

Subdivision 1. [SCOPE OF COVERAGE.] *This section applies to all health plans as defined in section 62A.011.*

Subd. 2. [REQUIRED COVERAGE.] *Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.*

Sec. 10. [62A.303] [PROHIBITION: SEVERING OF GROUPS.]

Section 62L.12, subdivisions 1, 2, 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 11. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract *issued by a health service plan corporation regulated under chapter 62C*, or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

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

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

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

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

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

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

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

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

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

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

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

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

(k) The policy guarantees renewability.

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

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

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

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

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

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

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

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

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

Sec. 12. [62A.65] [INDIVIDUAL MARKET REGULATION.]

Subdivision 1. [APPLICABILITY.] *No health carrier, as defined in chapter 62L, shall offer, sell, issue, or renew any individual policy of accident and sickness coverage, as defined in section 62A.01, subdivision 1, any individual subscriber contract regulated under chapter 62C, any individual health maintenance contract regulated under chapter 62D, any individual health benefit certificate regulated under chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement, to a Minnesota resident except in compliance with this section. For purposes of this section, "health benefit plan" has the meaning given in chapter 62L, except that the term means individual coverage, including family coverage, rather than employer group coverage. This section does not apply to the comprehensive health association established in section 62E.10 or to coverage described in section 62A.31, subdivision 1, paragraph (h), or to long-term care policies as defined in section 62A.46, subdivision 2.*

Subd. 2. [GUARANTEED RENEWAL.] *No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health benefit plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health benefit plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health benefit plan may be subject to refusal to renew only under the conditions provided in chapter 62L.*

Subd. 3. [PREMIUM RATE RESTRICTIONS.] *No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the rating and premium restrictions provided under chapter 62L, except the minimum loss ratio applicable to individual coverage is as provided in section 62A.021. All provisions of chapter 62L apply to rating and premium restrictions in the individual market, unless clearly inapplicable to the individual market.*

Subd. 4. [GENDER RATING PROHIBITED.] *No health benefit plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, on the gender of any person covered or to be covered under the health benefit plan.*

Subd. 5. [PORTABILITY OF COVERAGE.] *(a) No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident that contains a preexisting condition limitation or exclusion, unless the limitation or exclusion would be permitted under chapter 62L. The individual may be treated as a late entrant, as defined in chapter 62L, unless the individual has maintained continuous coverage as defined in chapter 62L. An individual who has maintained continuous coverage may be subjected to a one-time*

preexisting condition limitation as permitted under chapter 62L for persons who are not late entrants, at the time that the individual first is covered by individual coverage. Thereafter, the person must not be subject to any preexisting condition limitation, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer individual coverage to any individual previously covered under a group health benefit plan issued by that health carrier, so long as the individual maintained continuous coverage as defined in chapter 62L. Coverage issued under this paragraph must not contain any preexisting condition limitation or exclusion, except for any unexpired limitation or exclusion under the previous coverage. The initial premium rate for the individual coverage must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2.

Subd. 6. [GUARANTEED ISSUE NOT REQUIRED.] *Nothing in this section requires a health carrier to initially issue a health benefit plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 or 5.*

Sec. 13. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to~~ *regulated under* chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~; health maintenance organizations ~~and~~ *regulated under chapter 62D;* nonprofit health service plan corporations ~~incorporated~~ *regulated* under chapter 62C ~~or~~; fraternal benefit ~~society operating~~ *societies regulated* under chapter 64B; *the private employers insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H.* For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 14. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers~~,~~; self-insurers~~,~~; fraternals; *joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993;* and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 15. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan

based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 16. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 12. [FUNDING.] *Notwithstanding subdivision 5, the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 1994 shall be paid from the health care access account established in section 16A.724, to the extent appropriated for that purpose by the legislature. Any such expenses not paid from that account shall be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce or the commissioner of health, as appropriate, shall require contributing members to prove compliance with this rate adjustment requirement.*

Sec. 17. [62E.141] [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993.

Sec. 18. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ *two* or more employers, excluding the state and its political

subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of 250 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 19. [REQUEST FOR ERISA EXEMPTION.]

The commissioner of commerce shall request and diligently pursue an exemption from the federal preemption of state laws relating to health coverage provided under employee welfare benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1144. The scope of the exemption should permit the state to:

(1) require that employers participate in a state payroll withholding system designed to pay for health coverage for employees and dependents;

(2) regulate self-insured health plans to the same extent as insurance companies; and

(3) enact or adopt other state laws relating to health coverage that would, in the judgment of the commissioner of commerce, further the public policies of this state.

In determining the scope of the exemption request and in requesting and pursuing the exemption, the commissioner of commerce shall seek the advice and assistance of the legislative commission on health care access. The commissioner shall report in writing to that commission at least quarterly regarding the status of the exemption request.

Sec. 20. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study the operation of the individual market and shall file a report and recommendations with the legislature, no later than December 15, 1992. The study, report, and recommendations must:

(1) evaluate the extent to which the individual market and the state's regulation of it can achieve the goals provided in Minnesota Statutes, section 62L.01, subdivision 3;

(2) evaluate the need for and feasibility of a guaranteed issue requirement in the individual market;

(3) make recommendations regarding the future of the comprehensive health association.

Sec. 21. [REVIEW OF STANDARDIZED POLICY FORMS.]

The commissioner of commerce shall review the health care policies currently in use in the state, other than specialized and limited scope products such as dental insurance and hospital indemnity products, and make

recommendations to the legislature by February 1, 1993, relating to standardized health care policy forms to be used by all insurers, health service plans, or other entities regulated under Minnesota Statutes, chapter 62A, 62C, 62E, or 62H.

Sec. 22. [STUDY OF HEALTHY LIFESTYLE PREMIUM REDUCTIONS.]

The commissioner of commerce shall study and make recommendations to the legislature regarding whether health benefits plans, as defined in Minnesota Statutes, section 62L.02, but including both individual and group plans, should be permitted or required to offer premium discounts in recognition of and to encourage healthy lifestyle behaviors. The commissioner shall file the recommendations with the legislature on or before December 15, 1992. The commissioner shall make recommendations regarding:

(1) the types of lifestyle behaviors, including but not limited to, nonuse of tobacco, nonuse of alcohol, and regular exercise appropriate to the person's age and health status, that should be eligible for premium discounts;

(2) the level or amounts of premium discounts that should be permitted or required, including appropriateness of premium discounts of up to 25 percent of the premium;

(3) the actuarial justification that the commissioner should require for premium reductions;

(4) the extent to which health carriers can monitor compliance with promised lifestyle behaviors and whether new legislation could increase the monitoring ability or reduce its cost; and

(5) any favorable or adverse impacts on the individual or small group market. Any data on individuals collected under this section and received by the commissioner, which has not previously been public data, is private data on individuals.

This section shall not be interpreted as prohibiting any premium discounts approved under current law by the commissioner of commerce or by the commissioner of health or permitted under this act.

Sec. 23. [REPEALER.]

Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 11 is effective July 30, 1992. Sections 1 to 10, 12, 15, 16, 17, 18, and 23 are effective July 1, 1993, except that section 1, subdivision 9, is effective the day following final enactment. Sections 19, 20, 21, and 22 are effective the day following final enactment.

ARTICLE 4

CHILDREN'S HEALTH PLAN EXPANSION

Section 1. [256.362] [REPORTS AND IMPLEMENTATION.]

Subdivision 1. [WELLNESS COMPONENT.] *The commissioners of human services and health shall recommend to the legislature, by January 1, 1993, methods to incorporate discounts for wellness factors of up to 25 percent into the health right plan premium sliding scale. Beginning October 1, 1992, the commissioner of human services shall inform health right plan*

enrollees of the future availability of the wellness discount, and shall encourage enrollees to incorporate wellness factors into their lifestyles.

Subd. 2. [FEDERAL HEALTH INSURANCE CREDIT.] *By October 1, 1992, the commissioners of human services and revenue shall apply for any federal waivers or approvals necessary to allow enrollees in state health care programs to assign the federal health insurance credit component of the earned income tax credit to the state.*

Subd. 3. [COORDINATION OF MEDICAL ASSISTANCE AND THE HEALTH RIGHT PLAN.] *The commissioner shall develop and implement a plan to combine medical assistance and health right plan application and eligibility procedures. The plan may include the following changes: (1) use of a single mail-in application; (2) elimination of the requirement for personal interviews; (3) postponing notification of paternity disclosure requirements; (4) modifying verification requirements for pregnant women and children; (5) using shorter forms for recertifying eligibility; (6) expedited and more efficient eligibility determinations for applicants; (7) expanded outreach efforts, including combined marketing of the two plans; and (8) other changes that improve access to services provided by the two programs. The plan may include seeking the following changes in federal law: (1) extension and expansion of exemptions for different eligibility groups from Medicaid quality control sanctions; (2) changing requirements for the redetermination of eligibility; (3) eliminating asset tests for all children; and (4) other changes that improve access to services provided by the two programs. The commissioner shall seek any necessary federal approvals, and any necessary changes in federal law. The commissioner shall implement each element of the plan as federal approval is received, and shall report to the legislature by January 1, 1993, on progress in implementing this plan.*

Subd. 4. [PLAN FOR MANAGED CARE.] *By January 1, 1993, the commissioner of human services shall present a plan to the legislature for providing all medical assistance and health right plan services through managed care arrangements. The commissioner shall apply to the secretary of health and human services for any necessary federal waivers or approvals, and shall begin to implement the plan for managed care upon receipt of the federal waivers or approvals.*

Subd. 5. [REPORT ON PURCHASES AT FULL COST.] *By January 1, 1994, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing families who are not eligible for a subsidy to enroll in the health right plan at 100 percent of premium cost. By January 1, 1995, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing individuals who are not eligible for a subsidy to enroll in the health right plan at 100 percent of premium cost. The commissioner shall recommend whether enrollment for this group should begin.*

Sec. 2. Minnesota Statutes 1990, section 256.936, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms shall have the meanings given them:

(a) ~~"Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not~~

~~eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.~~

~~(b) "Covered services" means children's health services.~~

~~(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of $1,000 per enrolled child per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the children's health plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy.~~

~~(d)~~ "Eligible providers" means those health care providers who provide ~~children's~~ *covered* health services to medical assistance recipients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance.

~~(e)~~ *(b)* "Commissioner" means the commissioner of human services.

~~(f)~~ *(c)* "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 3. Minnesota Statutes 1990, section 256.936, subdivision 2, is amended to read:

Subd. 2. [PLAN ADMINISTRATION.] The ~~children's~~ health *right* plan is established to promote access to appropriate ~~primary~~ health care *services* to assure healthy children *and adults*. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide ~~children's~~ *covered* health services for eligible persons. Payment for these services shall be made to all eligible providers. The commissioner ~~may~~ *shall* adopt rules to administer ~~this section~~ *the health right plan*. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about medical programs and to promote access to the covered services. *The commissioner shall manage spending for the health right plan in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies.* The commissioner must make a quarterly assessment of the expected expenditures for the covered services ~~and the appropriation~~ *for the remainder of the current fiscal year and for the following two fiscal years*. ~~Based on this assessment the commissioner~~

~~may limit enrollments and target former aid to families with dependent children recipients. If sufficient money is not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.~~ *The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house appropriations committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health right plan; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the health right plan. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.*

If the commissioner determines that, despite adjustments made as authorized under this subdivision, estimated costs will exceed the forecasted amount of available revenues other than the reserve, the commissioner may, with the approval of the commissioner of finance, use all or part of the reserve to cover the costs of the program.

The commissioner may adopt emergency rules to govern implementation of this section. Notwithstanding section 14.35, the emergency rules adopted under this section shall remain in effect for 720 days.

Sec. 4. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2a. [COVERED HEALTH SERVICES.] *(a)* [COVERED SERVICES.] *"Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of $1,000 per adult enrollee and $2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the $1,000 and $2,500 limitations on outpatient mental health services. Covered health services shall be expanded as provided in this subdivision.*

(b) [ALCOHOL AND DRUG DEPENDENCY.] *Beginning October 1, 1992, covered health services shall include up to ten hours per year of individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program. Two hours of group treatment count as one hour of individual treatment.*

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

(c) [INPATIENT HOSPITAL SERVICES.] *Beginning July 1, 1993, covered health services shall include inpatient hospital services, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees not eligible for medical assistance is subject to an annual benefit limit of $10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.*

(d) [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] *Beginning July 1, 1993, covered health services shall include emergency medical transportation services.*

(e) [FEDERAL WAIVERS AND APPROVALS.] *The commissioner shall coordinate the provision of hospital inpatient services under the health right plan with enrollee eligibility under the medical assistance spend-down, and shall apply to the secretary of health and human services for any necessary federal waivers or approvals.*

(f) [COPAYMENTS AND COINSURANCE.] *The health right benefit plan shall include the following copayments and coinsurance requirements:*

(1) ten percent for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of $2,000 per individual and $3,000 per family;

(2) 50 percent for adult dental services, except for preventive services;

(3) $3 per prescription for adult enrollees; and

(4) $25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spenddown must pay the coinsurance amount up to the spenddown limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

Sec. 5. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2b. [ELIGIBLE PERSONS.] *(a)* [CHILDREN.] *"Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B and who are not otherwise insured for the covered*

services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old. Eligibility for the health right plan shall be expanded as provided in paragraphs (b) to (e). Under paragraphs (b) to (e), parents who enroll in the health right plan must also enroll their children and dependent siblings, if the children and their dependent siblings are eligible. Children and dependent siblings may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. Families cannot choose to enroll only certain uninsured members. For purposes of this subdivision, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon his or her parents. Proof of school enrollment will be required.

(b) [FAMILIES WITH CHILDREN.] *Beginning October 1, 1992, "eligible persons" means children eligible under paragraph (a), and parents and dependent siblings residing in the same household as a child eligible under paragraph (a). Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph shall remain eligible for the health right plan, regardless of age, place of residence within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.*

(c) [CONTINUATION OF ELIGIBILITY.] *Beginning October 1, 1992, individuals who initially enrolled in the health right plan under the eligibility criteria in paragraph (a) or (b) remain eligible even if their gross income after enrollment exceeds 185 percent of the federal poverty guidelines, subject to any premium required under subdivision 4a, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.*

(d) [FAMILIES WITH CHILDREN; ELIGIBILITY BASED ON PERCENTAGE OF INCOME PAID FOR HEALTH COVERAGE.] *Beginning January 1, 1993, "eligible persons" means children, parents, and dependent siblings residing in the same household who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose income is greater than the limits established under subdivision 4b may not enroll in the health right plan. Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph remain eligible for the health right plan, regardless of age, place of residence within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.*

(e) [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] *Beginning July 1, 1994, "eligible persons" means all families and individuals who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose income is greater than the limits established under subdivision 4b may not enroll in the health right plan.*

Sec. 6. Minnesota Statutes 1990, section 256.936, subdivision 3, is amended to read:

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be made available to provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee *or initial premium fee*, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner ~~may~~ *shall* use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that ~~will be used~~ *is necessary* to verify income eligibility. *The commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the department of revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the health right plan. The effective date of coverage is the first day of the month following the month in which a complete application is entered to the eligibility file and the first premium payment has been received. Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage.* Notwithstanding any other law to the contrary, benefits under this section are secondary to a plan of insurance or benefit program under which an eligible person may have coverage *and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons*. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Sec. 7. Minnesota Statutes 1990, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT *AND PREMIUM* FEE.] *(a)* [ENROLLMENT FEE.] *Until October 1, 1992*, an annual enrollment fee of $25, not to exceed $150 per family, is required from eligible persons for ~~children's~~ *covered* health services.

(b) [PREMIUM PAYMENTS.] *Beginning October 1, 1992, the commissioner shall require health right plan enrollees to pay a premium based on a sliding scale, as established under subdivision 4a. Applicants who are eligible under subdivision 2b, paragraph (a), are exempt from this requirement until July 1, 1993, if the application is received by the health right plan staff on or before September 30, 1992. Before July 1, 1993, these individuals shall continue to pay the annual enrollment fee required by paragraph (a).*

(c) [ADMINISTRATION.] Enrollment *and premium* fees are dedicated to the commissioner for the ~~children's~~ health *right* plan ~~program~~. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. *The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from the health right plan for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly or*

quarterly basis, with the first payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in the health right plan. Nonpayment of the premium will result in disenrollment from the plan within one calendar month after the due date. Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed.

Sec. 8. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBILITY FOR SUBSIDIZED PREMIUMS BASED ON SLIDING SCALE.] *(a)* [GENERAL REQUIREMENTS.] *Families and individuals who enroll on or after October 1, 1992, are eligible for subsidized premium payments based on a sliding scale under subdivision 4b only if the family or individual meets the requirements in paragraphs (b) to (d). Children already enrolled in the health right plan as of September 30, 1992, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the health right plan or medical assistance.*

Families and individuals who initially enrolled in the health right plan under subdivision 2b, and whose income increases above the limits established in subdivision 4b, may continue enrollment and pay the full cost of coverage.

(b) [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] *To be eligible for subsidized premium payments based on a sliding scale, a family or individual must not have access to subsidized health coverage through an employer, and must not have had access to subsidized health coverage through an employer for the 18 months prior to application for subsidized coverage under the health right plan. The requirement that the family or individual must not have had access to employer-subsidized coverage during the previous 18 months does not apply if employer-subsidized coverage was lost for reasons that would not disqualify the individual for unemployment benefits under section 268.09 and the family or individual has not had access to employer-subsidized coverage since the layoff. For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee, excluding dependent coverage, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this paragraph.*

(c) [PERIOD UNINSURED.] *To be eligible for subsidized premium payments based on a sliding scale, families and individuals initially enrolled in the health right plan under subdivision 2b, paragraphs (d) and (e), must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for sliding scale premiums without complying with rulemaking requirements in order to remain within the limits of available appropriations. The requirement of at least four months of no health coverage prior to application for the health right plan does not apply to families, children, and individuals who want to apply for the health right plan upon termination from the medical assistance program, general assistance medical care program, or coverage under a regional demonstration project for the uninsured funded under section*

256B.73, the Hennepin county assured care program, or the Group Health, Inc., community health plan. This paragraph does not apply to families and individuals initially enrolled under subdivision 2b, paragraphs (a) and (b).

Sec. 9. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4b. [PREMIUMS.] *(a) Each individual or family enrolled in the health right plan shall pay a premium determined according to a sliding fee based on the cost of coverage as a percentage of the individual's or family's gross family income.*

(b) The commissioner shall establish sliding scales to determine the percentage of gross family income that households at different income levels must pay to obtain coverage through the health right plan. The sliding scale must be based on the enrollee's gross family income, as defined in subdivision 1, paragraph (c), during the previous four months. The sliding scale must provide separate sliding scales for individuals, two-person households, and households of three or more.

(c) Beginning July 1, 1993, the sliding scales begin with a premium of 1.5 percent of gross family income for individuals with incomes below the limits for the medical assistance program set at 133-1/3 percent of the AFDC payment standard and proceed through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit to a gross monthly income of $1,600 for an individual, $2,160 for a household of two, $2,720 for a household of three, $3,280 for a household of four, $3,840 for a household of five, and $4,400 for households of six or more persons. For the period October 1, 1992 through June 30, 1993, the commissioner shall employ a sliding scale that sets required premiums at percentages of gross family income equal to two-thirds of the percentages specified in this paragraph.

(d) An individual or family whose gross monthly income is above the amount specified in paragraph (c) is not eligible for the plan.

(e) The premium for coverage under the health right plan may be collected through wage withholding with the consent of the employer and the employee.

(f) The sliding fee scale and percentages are not subject to the provisions of chapter 14.

Sec. 10. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4c. [RESIDENCY.] *(a) The legislature finds that the enactment of a comprehensive health plan for uninsured Minnesotans creates a risk that persons needing medical care will migrate to the state for the primary purpose of obtaining medical care subsidized by the state. The risk of migration undermines the state's ability to provide to legitimate state residents a valuable and necessary health care program which is an important component of the state's comprehensive cost containment and health care system reform plan. Intent-based residency requirements, which are expressly authorized under decisions of the United States Supreme Court, are an unenforceable and ineffective method of denying benefits to those persons the Supreme Court has stated may legitimately be denied eligibility for state programs. If the state is unable to limit eligibility to legitimate permanent residents of the state, the state faces a significant risk that it*

will be forced to reduce the eligibility and benefits it would otherwise provide to Minnesotans. The legislature finds that a durational residence requirement is a legitimate, objective, enforceable standard for determining whether a person is a permanent resident of the state. The legislature also finds low-income persons who have not lived in the state for the required time period will have access to necessary health care services through the general assistance medical care program, the medical assistance program, and public and private charity care programs.

(b) To be eligible for health coverage under the health right program, families and individuals must be permanent residents of Minnesota.

(c) For purposes of this subdivision, a permanent Minnesota resident is a person who has demonstrated, through persuasive and objective evidence, that the person is domiciled in the state and intends to live in the state permanently.

(d) To be eligible, all applicants must demonstrate the requisite intent to live in the state permanently by:

(1) showing that the applicant maintains a residence at a verified address other than a place of public accommodation, through the use of evidence of residence described in section 256D.02, subdivision 12a, clause (1);

(2) demonstrating that the applicant has been continuously domiciled in the state for no less than 180 days immediately before the application; and

(3) signing an affidavit declaring that (A) the applicant currently resides in the state and intends to reside in the state permanently; and (B) the applicant did not come to the state for the primary purpose of obtaining medical coverage or treatment.

(e) An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a pre-existing condition is not a permanent resident.

(f) If the 180-day requirement in paragraph (d), clause (2), is determined by a court to be unconstitutional, the commissioner of human services shall impose a 12-month pre-existing condition exclusion on coverage for persons who have been domiciled in the state for less than 180 days.

(g) If any paragraph, sentence, clause, or phrase of this subdivision is for any reason determined by a court to be unconstitutional, the decision shall not affect the validity of the remaining portions of the subdivision. The legislature declares that it would have passed each paragraph, sentence, clause, and phrase in this subdivision, irrespective of the fact that any one or more paragraphs, sentences, clauses, or phrases is declared unconstitutional.

Sec. 11. Minnesota Statutes 1991 Supplement, section 256.936, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] If the commissioner suspends, reduces, or terminates eligibility for the ~~children's~~ health *right* plan, or services provided under the ~~children's~~ health *right* plan, the commissioner must provide notification according to the laws and rules governing the medical assistance program. A ~~children's~~ health *right* plan applicant or enrollee aggrieved by a determination of the commissioner has the right to appeal the determination according to section 256.045.

Sec. 12. Minnesota Statutes 1990, section 256B.057, is amended by

adding a subdivision to read:

Subd. 2a. [NO ASSET TEST FOR CHILDREN.] *Eligibility for medical assistance for a person under age 21 must be determined without regard to asset standards established in section 256B.056.*

Sec. 13. [256B.0644] [PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.]

A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and the health right plan as a condition of participating as a provider in health insurance plans or contractor for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.17. For providers other than health maintenance organizations, participation in the medical assistance program means that (1) the provider accepts new medical assistance patients or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, or the health right plan as their primary source of coverage. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program.

Sec. 14. [PROVIDER PAYMENT INCREASES.]

Subdivision 1. [HOSPITAL OUTPATIENT REIMBURSEMENT.] *For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.*

Subd. 2. [PHYSICIAN AND DENTAL REIMBURSEMENT.] *(a) The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:*

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient

services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

Subd. 3. [CONTINGENT ON ENACTMENT OF APPROPRIATIONS.] *Subdivisions 1 and 2 are effective only if money is appropriated to the commissioner of human services to cover the entire state cost of the increases.*

Sec. 15. [COORDINATION OF STATE HEALTH CARE PURCHASING.]

The commissioner of administration shall convene an interagency task force to develop a plan for coordinating the health care programs administered by state agencies and local governments in order to improve the efficiency and quality of health care delivery and make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers. The commissioner shall present to the legislature, by January 1, 1994, recommendations to: (1) improve the effectiveness of public health care purchasing; and (2) streamline and consolidate health care delivery, through merger, transfer, or reconfiguration of existing health care and health coverage programs. At the request of the commissioner of administration, the commissioners of other state agencies and units of local government shall provide assistance in evaluating and coordinating existing state and local health care programs.

Sec. 16. [STUDY ON PREMIUMS AND BENEFITS.]

The commissioner of human services shall study the cost of health right premiums and the level of premium subsidies in relationship to the benefits provided. This study must include a comparison of the additional enrollee premium costs associated with the provision of an inpatient hospital benefit beginning July 1, 1993. Based on this analysis, the commissioner shall report to the legislative commission on health care access by January 15, 1993, on whether the premiums and subsidy level for the health right plan

should be adjusted.

Sec. 17. [PHASE-OUT OF THE CHILDREN'S HEALTH PLAN.]

Notwithstanding contrary provisions of Minnesota Statutes, section 256.936, the commissioner shall continue to accept enrollments in the children's health plan until July 1, 1993, using the eligibility and coverage requirements in effect prior to October 1, 1992, until the commissioner projects that the total enrollment in the children's health plan will exhaust the fiscal year 1993 appropriation for the children's health plan. These enrollees pay the annual fee established in Minnesota Statutes, section 256.936, subdivision 4, until July 1, 1993.

Sec. 18. [IMPACT OF HEALTH RIGHT ON CHILDREN'S HEALTH PLAN ENROLLEE.]

The commissioner of human services shall examine the impact of health right plan premium costs on access to health care for children's health plan enrollees. The commissioner shall examine whether health right plan premiums are affordable for children's health plan enrollees, and shall examine the degree to which children's health plan enrollees fail to continue coverage through the health right plan for financial reasons. The commissioner shall present recommendations to the legislature by February 15, 1993, on methods to ensure continued access to health care coverage for children's health plan enrollees.

Sec. 19. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "children's health plan" to "health right plan" wherever they appear in the next edition of Minnesota Statutes.

(b) The revisor of statutes is directed to recodify the subdivisions of Minnesota Statutes, section 256.936 as separate sections in chapter 256, and to recodify paragraphs as subdivisions within these sections.

Sec. 20. [EFFECTIVE DATE.]

Section 13, relating to participation in state health care programs, is effective October 1, 1992.

ARTICLE 5

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 16A.124, is amended by adding a subdivision to read:

Subd. 4a. [INVOICE ERRORS; DEPARTMENT OF HUMAN SERVICES.] *For purposes of department of human services payments to hospitals receiving reimbursement under the medical assistance and general assistance medical care programs, if an invoice is incorrect, defective, or otherwise improper, the department of human services must notify the hospital of all errors, within 30 days of discovery of the errors.*

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed

95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor *or doctor of osteopathy* occupying a position that the governing body of the political subdivision has determined requires an M.D. *or D.O.* degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. [62A.65] [PARTICIPATING PROVIDERS.]

Subdivision 1. [HEALTH PLAN COMPANY.] *For purposes of this section, "health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed indemnity, or nonexpense-incurred basis, or policies that provide only accident coverage.*

Subd. 2. [ACCEPTANCE AS PARTICIPATING PROVIDER.] *A health plan company shall not exclude, as a participating provider, a physician who is licensed under chapter 147 and meets the requirements of section 147.02, subdivision 1, paragraph (b), solely because the physician has not completed a full residency or is not board certified, if:*

(1) the physician meets all other requirements for serving as a participating provider;

(2) the physician has completed a minimum of two years residency in any specialty;

(3) the physician has not been disciplined by the board of medical practice under section 147.091;

(4) the physician is credentialed by and has staff privileges at a hospital, or is employed by a medical clinic, located in an area designated by the federal government as either a health personnel shortage area or a medically underserved area;

(5) the medical clinic at which the physician practices was part of the provider network of a health plan company, and that health plan company provides health care services to a significant number of persons residing in the community in which the medical clinic is located, many of whom had formerly received services at the medical clinic; and

(6) the medical clinic and the hospital at which the physician has staff privileges are the only providers of 24-hour emergency services in the county.

Sec. 4. Minnesota Statutes 1990, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds;

(3) ~~has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

~~(4)~~ is not for profit; and

~~(5)~~ *(4)* has not been awarded a grant under the federal rural health transition grant program.

Sec. 5. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; ~~and~~

(6) the involvement and extent of support of the community and local health care providers; *and*

(7) the financial condition of the hospital.

Sec. 6. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, ~~1990,~~ *of each year* for grants awarded ~~in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state~~ *for the* fiscal year *beginning the following July 1*.

(b) ~~The commissioner may award at least two grants for each fiscal year.~~ The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain

clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed $50,000 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Sec. 7. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] *The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:*

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059.

Subd. 2. [DUTIES.] *The advisory committee shall:*

(1) advise the commissioner and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities; and

(5) develop methods for identifying individuals who are underserved by the rural health care system.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] *The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.*

Sec. 8. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [DUTIES.] *The office of rural health in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems shall:*

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals; and

(5) carry out the duties assigned in section 144.1483.

Subd. 2. [CONTRACTS.] *To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.*

Sec. 9. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the commissioner of commerce, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services;

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a data base on health care personnel as required under section 144.1485;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs;

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council; and

(11) carry out other activities necessary to address rural health problems.

Sec. 10. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.] *The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for*

a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92 or be located in a community with a population of less than 5,000; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 30 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] *The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in article 9, section 7. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 9, section 7, based on the previous year's hospital revenues.*

Sec. 11. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 12. [144.1486] [RURAL COMMUNITY HEALTH CENTERS.]

The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.

Sec. 13. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that

owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317A, including authority to

(a) enter shared service and other cooperative ventures,

(b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,

(c) enter partnerships,

(d) incorporate other corporations,

(e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations,

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, *and*

(h) ~~provide funds for payment of educational expenses of up to $20,000 per individual, if the hospital or hospital district has at least $1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and~~

~~(i) provide funds of up to $50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of $100,000 in annual income, if the hospital or hospital district has at least $250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district~~ *expend funds, including public funds in any form, or devote the resources of the hospital or hospital district to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one-time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.*

Sec. 14. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system

fund. The fund shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; ~~undertaking special~~ *providing discretionary grants for emergency medical service* projects ~~of statewide significance that will enhance the provision of emergency medical care in Minnesota~~ *with potential regionwide significance*; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac care and training. No part of a region's share of the fund may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty~~ *Ninety-three and one-third* percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 15. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ *two* or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 16. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ *two* or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 17. [SPECIAL STUDIES.]

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

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

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

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

Sec. 18. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under Minnesota Statutes, section 144.1484, and report to the legislature by February 1, 1993, on any needed modifications.

Sec. 19. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that ambulance service may not be denied, and other issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1993, on means of maximizing potential reimbursement levels.

Sec. 20. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1993.

Sec. 21. [REPEALER.]

Section 3 expires July 1, 1994, or one year after the date upon which a Minnesota program, established to conduct quality assurance and certification activities related to the participation of rural family practice physicians in health plan company provider networks, becomes operational, whichever occurs first.

Sec. 22. [EFFECTIVE DATE.]

Section 1 relating to invoice errors is effective for the department of human services July 1, 1993, or on the implementation date of the upgrade to the Medicaid management information system, whichever is later.

Section 7 creating the rural health advisory committee is effective January 1, 1993.

ARTICLE 6

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education

coordinating board ~~while attending medical school. Before completing the first year of residency.~~. A student or resident *who is accepted* must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] *Prior to June 30, 1992, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1992 through June 30, 1995,* the higher education coordinating board may accept up to eight applicants *who are fourth year medical students* per *fiscal* year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed $10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans ~~and the interest accrued on these loans~~. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. *In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional $2,000, above the $10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.*

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] *For purposes of this section, the following definitions apply:*

(a) "Designated rural area" has the definition developed in rule by the higher education coordinating board.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] *A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel*

practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] *To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.*

Subd. 4. [LOAN FORGIVENESS.] *The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed $7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.*

Subd. 5. [PENALTY FOR NONFULFILLMENT.] *If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.*

Sec. 4. [137.38] [EDUCATION AND TRAINING OF PRIMARY CARE PHYSICIANS.]

Subdivision 1. [CONDITION.] *If the board of regents accepts the funding appropriated for sections 137.38 to 137.40, it shall comply with the duties for which the appropriations are made.*

Subd. 2. [PRIMARY CARE.] *For purposes of sections 137.38 to 137.40, "primary care" means a type of medical care delivery that assumes ongoing responsibility for the patient in both health maintenance and illness treatment. It is personal care involving a unique interaction and communication between the patient and the physician. It is comprehensive in scope, and includes all the overall coordination of the care of the patient's health care problems including biological, behavioral, and social problems. The appropriate use of consultants and community resources is an important aspect of effective primary care.*

Subd. 3. [GOALS.] *The board of regents of the University of Minnesota, through the University of Minnesota medical school, is requested to implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural Minnesota that are medically underserved.*

Subd. 4. [GRANTS.] *The board of regents is requested to seek grants*

from private foundations and other nonstate sources for the medical school initiatives outlined in sections 137.38 to 137.40.

Subd. 5. [REPORTS.] *The board of regents is requested to report annually to the legislature on progress made in implementing sections 137.38 to 137.40, beginning January 15, 1993, and each succeeding January 15.*

Sec. 5. [137.39] [MEDICAL SCHOOL INITIATIVES.]

Subdivision 1. [MODIFIED SCHOOL INITIATIVES.] *The University of Minnesota medical school is requested to study the demographic characteristics of students that are associated with a primary care career choice. The medical school is requested to modify the selection process for medical students based on the results of this study, in order to increase the number of medical school graduates choosing careers in primary care.*

Subd. 2. [DESIGN OF CURRICULUM.] *The medical school is requested to ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice. The medical school is requested to also support premedical school educational initiatives that provide students with greater exposure to primary care physicians and practices.*

Subd. 3. [CLINICAL EXPERIENCES IN PRIMARY CARE.] *The medical school, in consultation with medical school faculty at the University of Minnesota, Duluth, is requested to develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.*

Sec. 6. [137.40] [RESIDENCY AND OTHER INITIATIVES.]

Subdivision 1. [PRIMARY CARE AND RURAL ROTATIONS.] *The University of Minnesota medical school is requested to increase the opportunities for general medicine, pediatrics, and family practice residents to serve rotations in primary care settings. These settings must include community clinics, health maintenance organizations, and practices in rural communities.*

Subd. 2. [RURAL RESIDENCY TRAINING PROGRAM IN FAMILY PRACTICE.] *The medical school is requested to establish a rural residency training program in family practice. The program shall provide an initial year of training in a metropolitan-based hospital and family practice clinic. The second and third years of the residency program shall be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.*

Subd. 3. [CONTINUING MEDICAL EDUCATION.] *The medical school is requested to develop continuing medical education programs for primary care physicians that are comprehensive, community-based, and accessible to primary care physicians in all areas of the state.*

Sec. 7. [136A.1357] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME.]

Subdivision 1. [CREATION OF THE ACCOUNT.] *An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan*

forgiveness program.

Subd. 2. [ELIGIBILITY.] *To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before completing the first year of study of a nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home.*

Subd. 3. [LOAN FORGIVENESS.] *The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed $3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home to another remain eligible for loan repayment.*

Subd. 4. [PENALTY FOR NONFULFILLMENT.] *If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.*

Subd. 5. [RULES.] *The board shall adopt rules to implement this section.*

Sec. 8. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by January 1, 1993. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 9. [GRANT PROGRAM FOR MIDLEVEL PRACTITIONER TRAINING.]

The higher education coordinating board may award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components.

Sec. 10. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive

grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1993.

ARTICLE 7

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.30] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [DEFINITIONS.] *For purposes of sections 62J.30 to 62J.34, the following definitions apply:*

(a) "Practice parameter" means a statement intended to guide the clinical decision making of health care providers and patients that is supported by the results of appropriately designed outcomes research studies, including those studies sponsored by the federal agency for health care policy and research, or has been adopted for use by a national medical society.

(b) "Outcomes research" means research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

Subd. 2. [ESTABLISHMENT.] *The commissioner of health, in consultation with the Minnesota health care commission, shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.*

Subd. 3. [GENERAL DUTIES; IMPLEMENTATION DATE.] *The commissioner, through the health care analysis unit, shall:*

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 62J.31;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health carriers, as defined in section 62L.02, subdivision 16;

(4) work closely with health carriers and health care providers to promote improvements in health care efficiency and effectiveness;

(5) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(6) provide technical assistance to health plan and health care purchasers, as required by section 62J.33;

(7) develop outcome-based practice parameters as required under section 62J.34; and

(8) provide technical assistance as needed to the health planning advisory committee and the regional coordinating boards.

Subd. 4. [CRITERIA FOR UNIT INITIATIVES.] *Data and research initiatives by the health care analysis unit must:*

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health carriers;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health carriers, health care providers, and the health care delivery system, and minimize any privacy impact on individuals; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 5. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] *Data and research initiatives related to public sector health care programs must:*

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 6. [DATA COLLECTION PROCEDURES.] *The health care analysis unit shall collect data from health care providers, health carriers, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health carriers to collect and provide patient health records, provide mailing lists of patients who have consented to release of data, and cooperate in other ways with the data collection process. For purposes of this chapter, the health care analysis unit shall assign, or require health care providers and health carriers to assign, a unique identification number to each patient to safeguard patient identity.*

Subd. 7. [DATA CLASSIFICATION.] *(a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.31 that identify individuals are private data on individuals.*

Data not on individuals are nonpublic data. The commissioner may release private data on individuals and nonpublic data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the commissioner; and individuals purchasing health care services for health carriers and groups. Prior to releasing any nonpublic or private data under this paragraph that identify or relate to a specific health carrier, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data. To the extent reasonably possible, release of private or confidential data under this chapter shall be made without releasing data that could reveal the identity of individuals and should instead be released using the identification numbers required by subdivision 6.

(b) Summary data derived from data collected through the large-scale data base initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the commissioner.

(c) The commissioner shall adopt rules to establish criteria and procedures to govern access to and the use of data collected through the initiatives of the health care analysis unit.

Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] *The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be health care providers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.*

Subd. 9. [FEDERAL AND OTHER GRANTS.] *The commissioner shall seek federal funding, and funding from private and other nonstate sources, for the initiatives of the health care analysis unit.*

Subd. 10. [CONTRACTS AND GRANTS.] *To carry out the duties assigned in sections 62J.30 to 62J.34, the commissioner may contract with or provide grants to private sector entities. Any contract or grant must require the private sector entity to maintain the data on individuals which it receives according to the statutory provisions applicable to the data.*

Subd. 11. [RULEMAKING.] *The commissioner may adopt permanent and emergency rules to implement sections 62J.30 to 62J.34.*

Sec. 2. [62J.31] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] *The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.*

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] *(a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate a limited number of specific health conditions for which*

data shall be collected during the first year of operation. For subsequent years, data may be collected for additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. This initial emphasis may be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center, if adequate data collection and evaluation techniques are available for that condition.

Subd. 3. [INFORMATION TO BE COLLECTED.] *The data collected must include information on health outcomes, including information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be made between providers, health carriers, public programs, and other entities.*

Subd. 4. [DATA COLLECTION AND REVIEW.] *Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.*

Subd. 5. [USE OF EXISTING DATA BASES.] *(a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.*

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.32] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] *The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the outcomes research studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based on input from and analysis by*

practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] *The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all practitioners in the state who diagnose or treat the medical condition.*

Subd. 3. [PEER REVIEW.] *The unit may require peer review by the Minnesota Medical Association, Minnesota Chiropractic Association or appropriate health licensing board for specific health care conditions for which practice in all or part of the state deviates from practice parameters. The commissioner may also require peer review by the Minnesota Medical Association, Minnesota Chiropractic Association or appropriate health licensing board for specific conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer review may be required for all practitioners statewide, or limited to practitioners in specific areas of the state. The peer review must determine whether the procedures conducted by practitioners are necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a practitioner continues to perform procedures that are inappropriate, even after educational efforts by the review panel, the practitioner may be reported to the appropriate professional licensing board.*

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] *The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, but does not expire.*

Sec. 4. [62J.33] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health carriers; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 5. [62J.34] [OUTCOME-BASED PRACTICE PARAMETERS.]

Subdivision 1. [PRACTICE PARAMETERS.] *The health care analysis unit may develop, adopt, revise, and disseminate practice parameters, and disseminate research findings, that are supported by medical literature and*

appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. Among other appropriate activities relating to the development of practice parameters, the health care analysis unit shall:

(1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data; and

(2) conduct studies and research on the following subjects:

(i) new and revised practice parameters to be used in connection with state health care programs and other settings;

(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;

(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the state health care programs and other settings.

Subd. 2. [APPROVAL.] *The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may approve practice parameters that are endorsed, developed, or revised by the health care analysis unit. The commissioner is exempt from the rulemaking requirements of chapter 14 when approving practice parameters approved by the federal agency for health care policy and research, practice parameters adopted for use by a national medical society, or national medical specialty society. The commissioner shall use rulemaking to approve practice parameters that are newly developed or substantially revised by the health care analysis unit. Practice parameters adopted without rulemaking must be published in the State Register.*

Subd. 3. [MEDICAL MALPRACTICE CASES.] *(a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a practice parameter approved by the commissioner of health under subdivision 2 is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.*

(b) Evidence of a departure from a practice parameter is admissible only on the issue of whether the provider is entitled to an absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the date the commissioner approves the applicable practice parameter, whichever is later.

(d) Nothing in this section changes the standard or burden of proof in an action alleging a delay in diagnosis, a misdiagnosis, inappropriate application of a practice parameter, failure to obtain informed consent, battery or other intentional tort, breach of contract, or product liability.

Sec. 6. Minnesota Statutes 1991 Supplement, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where

otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations, health service plans, and insurance companies;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution, *membership in a state or local association of professionals*, or participating status in a nonprofit health service plan corporation, health maintenance organization, or insurance company, or whether a professional's staff privileges, *membership*, or participation status should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations and their insureds, subscribers, or enrollees;

(2) professional licensing boards ~~acting under their powers including disciplinary, license revocation or suspension procedures~~ and health providers licensed by them ~~when the matter is referred to a review committee by the professional licensing board~~;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations concerning a charge or fee for health care services provided to an insured, subscriber, or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); ~~or~~

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service; *or*

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 62J.32.

Sec. 7. Minnesota Statutes 1991 Supplement, section 145.64, subdivision 2, is amended to read:

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to professionals requesting or seeking through discovery, data, information, or records relating to their medical staff privileges, *membership,* or participation status. *However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding than those brought by the professional to challenge an action relating to the professional's medical staff privileges or participation status.*

Sec. 8. [214.16] [DATA COLLECTION; HEALTH CARE PROVIDER TAX.]

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

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, or podiatrist.

Subd. 2. [BOARD COOPERATION REQUIRED.] *The board shall assist the commissioner of health and the data analysis unit in data collection activities required under this article and shall assist the commissioner of revenue in activities related to collection of the health care provider tax required under article 9. Upon the request of the commissioner, the data analysis unit, or the commissioner of revenue, the board shall make available names and addresses of current licensees and provide other information or assistance as needed.*

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] *The board shall take disciplinary action against a regulated person for:*

(1) failure to provide the commissioner of health with data on gross patient revenue as required under section 62J.04;

(2) failure to provide the health care analysis unit with data as required under this article;

(3) failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(4) failure to pay the health care provider tax required under section 295.52.

Sec. 9. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health carriers, group purchasers, and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner of health and the Minnesota health care commission by January 1, 1994, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

ARTICLE 8

MEDICAL MALPRACTICE

Section 1. Minnesota Statutes 1990, section 145.682, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] *(a)* The affidavit required by subdivision 2, clause (2), must be *signed* by *each expert listed in the affidavit and by* the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the plaintiff's attorney *and by each expert listed in the answers to interrogatories* and served upon the defendant within 180 days after commencement of the suit against the defendant.

(b) The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional expert witnesses or substituting other expert witnesses.

(c) In any action alleging medical malpractice, all expert interrogatory answers must be signed by the attorney for the party responding to the interrogatory and by each expert listed in the answers. The court shall include in a scheduling order a deadline prior to the close of discovery for all parties to answer expert interrogatories for all experts to be called at trial. No additional experts may be called by any party without agreement of the parties or by leave of the court for good cause shown.

Sec. 2. [604.20] [MEDICAL MALPRACTICE CASES.]

Subdivision 1. [DISCOVERY.] *Pursuant to the time limitations set forth in the Minnesota rules of civil procedure, the parties to any medical malpractice action may exchange the uniform interrogatories in subdivision 3 and ten additional nonuniform interrogatories. Any subparagraph of a nonuniform interrogatory will be treated as one nonuniform interrogatory. By stipulation of the parties, or by leave of the court upon a showing of good cause, more than ten additional nonuniform interrogatories may be propounded by a party. In addition, the parties may submit a request for production of documents pursuant to rule 34 of the Minnesota rules of civil procedure.*

Subd. 2. [ALTERNATIVE DISPUTE RESOLUTION.] *At the time a trial judge orders a case for trial, the court shall require the parties to discuss and determine whether a form of alternative dispute resolution would be*

appropriate or likely to resolve some or all of the issues in the case. Alternative dispute resolution may include arbitration, mediation, summary jury trial, or other alternatives suggested by the court or parties, and may be either binding or nonbinding. All parties must agree unanimously before alternative dispute resolution proceeds.

Subd. 3. [UNIFORM INTERROGATORIES.] *(a) Uniform plaintiff's interrogatories to the defendant are as follows:*

PLAINTIFF'S INTERROGATORIES TO DEFENDANT

INTERROGATORY NO. 1:

Please attach a complete curriculum vitae for Dr. (. . . . .), M.D., which should include, but is not limited to, the following information:

a. Name;

b. Office address;

c. Name of practice;

d. Identities of partners or associates, including their names, specialties, and how long they have been associated with Dr. (. . . . .);

e. Specialty of Dr. (. . . . .);

f. Age;

g. The names and dates of attendance at any medical schools;

h. Full information as to internship or residency, including the place and dates of the internship or residency as well as any specialized fields of practice engaged in during such internship or residency;

i. The complete history of the practice of Dr. (. . . . .) from and after medical school, setting forth the places where Dr. (. . . . .) practiced medicine, the persons with whom Dr. (. . . . .) was associated, the dates of the practice, and the reasons for leaving the practice;

j. Full information as to any board certifications Dr. (. . . . .) may hold, including the field of specialty and the dates of the certifications and any recertifications;

k. Identifying the medical societies and organizations to which Dr. (. . . . .) belongs, giving full information as to any offices held in the organizations;

l. Identifying all professional journal articles, treatises, textbooks, abstracts, speeches, or presentations which Dr. (. . . . .) has authored or contributed to; and

m. Any other information which describes or explains the training and experience of Dr. (. . . . .) for the practice of medicine.

INTERROGATORY NO. 2:

Has Dr. (. . . . .) been the subject of any professional disciplinary actions of any kind and, if so:

State whether Dr. (. . . . . 's) license to practice medicine has ever been revoked or publicly limited in any way and, if so, give the date and the reasons for such revocation or restriction.

INTERROGATORY NO. 3:

Please set forth a listing by author, title, publisher, and date of publication of all the medical texts referred to by Dr. (. . . . .) with respect to the practice of medicine during the past five years.

INTERROGATORY NO. 4:

Please set forth a complete listing of the medical and professional journals to which Dr. (. . . . .) subscribes or has subscribed within the past five years.

INTERROGATORY NO. 5:

As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

INTERROGATORY NO. 6:

With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the person is expected to testify;

b. The substance of the facts and opinions to which the person is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

INTERROGATORY NO. 7:

Please state whether there is any policy of insurance that will provide coverage to the defendant should liability attach on the basis of the allegations contained in the plaintiff's Complaint. If so, state with regard to each policy applicable:

a. The name and address of the insurer;

b. The exact limits of coverage applicable;

c. Whether any reservation of rights or controversy or coverage dispute exists between you and the insurance company.

Please attach copies of each policy to your Answers.

INTERROGATORY NO. 8:

State the full name, present address, occupation, age, present employer, and the present employer's address of each physician, nurse, or other medical personnel in the employ of the defendant or defendant's professional association who treated, cared for, examined, or otherwise attended (name) from (date 1), through (date 2). With regard to every individual, please state:

a. Each date upon which the individual attended (name);

b. The nature of the treatment or care rendered (name) on each date;

c. The qualifications and area of specialty of each individual; and

d. The present address of each individual.

In responding to this interrogatory, referring plaintiff's counsel to medical records will not be deemed to be a sufficient answer as plaintiff's counsel has reviewed the medical records and is not able to determine the identity of the individuals.

INTERROGATORY NO. 9: (Hospital defendant only)

Please state the name, address, telephone number, and last known employer of the nursing supervisor for the shifts set forth in the preceding interrogatory.

INTERROGATORY NO. 10:

Please identify by name and current or last known address and telephone number each and every person who has or claims to have knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

INTERROGATORY NO. 11:

a. Have any statements been taken from nonparties or the plaintiff(s) pertaining to this claim? For purposes of this request, a statement previously made is (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

1. The name and address of each person making a statement;

2. The date on which the statement was made;

3. The name and address of the person or persons taking each statement; and

4. The subject matter of each statement.

b. Attach a copy of each statement to the answers to these interrogatories.

c. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege,

work product protection, or objection, or refusing to provide discovery as requested.

INTERROGATORY NO. 12:

Do you or anyone acting on your behalf know of any photographs, films, or videotapes depicting [. . . . .]? If so, state:

a. The number of photographs or feet of film or videotape;

b. The places, objects, or persons photographed, filmed, or videotaped;

c. The date the photographs, film, or videotapes were taken;

d. The name, address, and telephone number of each person who has the original or copy.

Please attach copies of any photographs or videotapes.

INTERROGATORY NO. 13:

If you claim that injuries to plaintiff complained of in plaintiff's Complaint were contributed to or caused by plaintiff or any other person, including any other physician, hospital, nurse, or other health care provider, please state:

a. The facts upon which you base the claim;

b. The name, current address, and current employer of each person whom you allege was or may have been negligent.

INTERROGATORY No. 14:

Please state the name or names of the individuals supplying the information contained in your Answers to these Interrogatories. In addition, please state these individuals' current addresses, places of employment, and their current position at their place of employment.

INTERROGATORY NO. 15:

Does defendant have knowledge of any conversations or statements made by the plaintiff(s) concerning any subject matter relative to this action? If so, please state:

a. The name and last known address of each person who claims to have heard such conversations or statements;

b. The date of such conversations or statements;

c. The summary or the substance of each conversation or statement.

INTERROGATORY NO. 16:

Did the defendant, the defendant's agents, or employees conduct a surveillance of the plaintiff(s)? If so, state:

a. Name, address, and occupation of the person who conducted each surveillance;

b. Name and address of the person who requested each surveillance to be made;

c. Date or dates on which each surveillance was conducted;

d. Place or places where each surveillance was performed;

e. Information or facts discovered in the surveillance;

f. Name and address of the person now having custody of each written report, photographs, videotapes, or other documents concerning each surveillance.

INTERROGATORY NO. 17:

Are you aware of any person you may call as a witness at the trial of this action who may have or claims you have any information concerning the medical, mental, or physical condition of the plaintiff(s) prior to the incident in question? . . . . . If so, state:

a. The name and last know address of each person and your means of ascertaining the present whereabouts of each person;

b. The occupation and employer of each person;

c. The subject and substance of the information each person claims to have.

INTERROGATORY NO. 18:

As to any affirmative defenses you allege, state the factual basis of and describe each affirmative defense, the evidence which will be offered at trial concerning any alleged affirmative defense, including the names of any witnesses who will testify in support thereof, and the descriptions of any exhibits which will be offered to establish each affirmative defense.

INTERROGATORY NO. 19:

Do you contend that any entries in the answering defendant's medical/ hospital records are incorrect or inaccurate? If so, state:

a. The precise entry(ies) that you think are incorrect or inaccurate;

b. What you contend the correct or accurate entry(ies) should have been;

c. The name, address, and employer of each and every person who has knowledge pertaining to a. and b.;

d. A description, including the author and title of each and every document that you claim supports your answer to a. and b.;

e. The name, address, and telephone number of each and every person you intend to call as a witness in support of your contention.

(b) Uniform defendant's interrogatories to the plaintiff for personal injury cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF (PERSONAL INJURY)

1. State your full name, address, date of birth, marital status, and social security number.

2. If you have been employed at any time in the past ten years, with respect to this period state the names and addresses of each of your employers, describe the nature of your work, and state the approximate dates of each employment.

3. If you have ever been a party to a lawsuit where you claimed damages for injury to your person, state the title of the suit, the court file number, the date of filing, the name and address of any involved insurance carrier, the kind of claim, and the ultimate disposition of the same. (This is meant to include workers' compensation and social security disability claims.)

4. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom you consulted or who provided advice, treatment, or care for you at any time within the last ten years and, with respect to each contract, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

5. State the name and address of each and every hospital, treatment facility, or institution in which plaintiff has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

6. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

7. List all payments related to the injury or disability in question that have been made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

8. List all amounts that have been paid, contributed, or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

9. Do you contend any of the following:

a. That defendant did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances;

b. That defendant did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances.

10. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail each contention;

b. Specify in detail each act or omission of defendant which you contend was a departure from the degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances;

c. Specify in detail the conduct of defendant as you claim it should have been;

d. Specify in detail each fact known to you and your attorneys upon which you base your answers to interrogatories 9 and 10.

11. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in your refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate

dates thereof and identifying all persons in attendance:

b. Describe each and every risk which you claim defendant should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

12. Please identify by name and current or last known address and telephone number each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

13. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

14. With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

15. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of the statement;

e. Attach a copy of each statement to the answers to these interrogatories.

f. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

(c) Uniform defendant's interrogatories to the plaintiff for wrongful death cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF (WRONGFUL DEATH)

1. State the full name, age, present occupation, business address, present residence address, and address for a period of ten years prior to the present date for each heir or next of kin (including the Trustee) on whose behalf this action has been commenced.

2. Set forth the date of birth and place of birth of the decedent.

3. Set forth the date of birth and place of birth of the decedent's surviving spouse.

4. Set forth the names, date of birth, and places of birth of any children of decedent.

5. Set forth the names, addresses, and dates of birth of all heirs and next of kin of decedent and set forth the relationship of each individual to decedent.

6. Set forth the date of marriage between decedent and decedent's surviving spouse and the place of the marriage.

7. Set forth whether or not there were any proceedings for a legal separation or divorce instituted between decedent and decedent's surviving spouse and, if so, set forth the dates that the proceedings were instituted, the result of the proceedings, and the court in which the proceedings were instituted.

8. Set forth whether or not decedent was ever married to anyone other than decedent's surviving spouse and if so, set forth the names of any other spouse or spouses and the inclusive dates of any other marriages.

9. Set forth whether or not decedent's surviving spouse has ever been married to anyone other than decedent and, if so, set forth the names of any other spouses and the inclusive dates of any other marriages.

10. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in the decedent's refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identify all persons in attendance;

b. Describe each and every risk which you claim defendants should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

11. Was the deceased employed at the time of death?

12. If the answer to Interrogatory No. 10 is yes, indicate the following:

a. The name and address of the deceased's employer and the nature of the employment;

b. The amount of earnings from the employment;

c. Defendant requests copies of the decedent's federal and state income tax return for the past five years.

13. If decedent was self-employed for any period of time during the ten-year period of time immediately preceding decedent's death, set forth the following:

a. The inclusive dates of the self-employment;

b. A specific and detailed description of the nature of the self-employment;

c. The business name and address under which decedent operated; and

d. A specific and detailed description of decedent's earnings from the self-employment.

14. Set forth in detail a chronological education history of decedent including the name and address of each school attended, the inclusive dates of attendance, the date of graduation, a description of any degrees awarded, a description of the major area of study and the grade point average upon graduation.

15. Did the decedent make any contribution of money, property, or other items having a money worth toward the support, maintenance, or well-being of any next of kin and, if so, please itemize the following:

a. The amount and nature of the contribution;

b. The date(s) upon which each contribution was made;

c. The persons(s) receiving each contribution;

d. The period of time over which the contributions were made;

e. The regularity or irregularity of the contributions;

f. Identify by date, author, type, recipient, and present custodian each and every document referring to or otherwise evidencing each contribution.

16. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom the decedent consulted or who provided advice, treatment, or care for the decedent at any time within ten years prior to death and, with respect to the contact, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

17. State the name and address of each and every hospital, treatment facility, or institution in which the decedent has been confined for any reason

at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

18. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

19. List any payment related to the injury or disability in question made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

20. List all amounts that have been paid, contributed or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

21. Do you contend any of the following:

a. That any of the defendants did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants;

b. That any of the defendants did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants.

22. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail your contention;

b. Specify in detail each act or omission of each defendant which you contend was a departure from that degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances.

23. Please identify by name and current or last known address and telephone number of each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

24. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

25. With respect to each person identified in the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

26. Set forth in detail anything said or written by which plaintiff claims to be relevant to any of the issues in this lawsuit, identifying the time and place of each statement, who was present, and what was said by each person who was present.

27. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of each statement;

e. Attach a copy of each statement to the answers to these interrogatories;

f. If you claim that any information, document or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

ARTICLE 9

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS FUND.]

A health care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund.

Sec. 2. Minnesota Statutes 1990, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, *health maintenance organizations, and nonprofit health service corporations*, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in ~~paragraph~~ *paragraphs* (b) *and (e)*, installments must be based on a sum equal to two

percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded $1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) ~~or~~, (b), *or (e)* are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is $500 or less.

(e) For health maintenance organizations and nonprofit health services corporations, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under the children's health plan, the health right plan, and Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1990, section 62C.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] Every foreign or domestic nonprofit corporation organized for the purpose of establishing or operating a health service plan in Minnesota whereby health services are provided to subscribers to the plan under a contract with the corporation shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to the laws of this state relating to insurance, except *section 60A.15 and* as otherwise specifically provided. Laws 1971, chapter 568 shall apply to all health service plan corporations incorporated after August 1, 1971, and to all existing health service plan corporations, except as otherwise provided. Nothing in sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 4. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491~~.~~; *and*

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under

section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a).

HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 5. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] *For purposes of sections 295.50 to 295.58, the following terms have the meanings given.*

Subd. 2. [COMMISSIONER.] *"Commissioner" is the commissioner of revenue.*

Subd. 3. [GROSS REVENUES.] *(a) "Gross revenues" are total amounts received in money or otherwise by:*

(1) a resident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;

(2) a nonresident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29, provided to patients domiciled in Minnesota;

(3) a resident health care provider, other than a health maintenance organization, for covered services listed in section 256B.0625;

(4) a nonresident health care provider for covered services listed in section 256B.0625 provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota by the distributor or a common carrier, unless the prescription drugs are delivered to another wholesale drug distributor; and

(6) a health maintenance organization as gross premiums for enrollees, carrier copayments, and fees for covered services listed in section 256B.0625.

(b) Gross revenues do not include governmental, foundation, or other grants or donations to a hospital or health care provider for operating or other costs.

Subd. 4. [HEALTH CARE PROVIDER.] *"Health care provider" is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, and includes health maintenance organizations but excludes hospitals and pharmacies.*

Subd. 5. [HMO.] *"Health maintenance organization" is a nonprofit corporation licensed and operated as provided in chapter 62D.*

Subd. 6. [HOME HEALTH CARE SERVICES.] *"Home health care services" are services:*

(1) defined under the state medical assistance program as home health agency services, personal care services and supervision of personal care services, private duty nursing services, and waivered services; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility, as defined in section 62A.46, subdivision 3, or

intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Subd. 7. [HOSPITAL.] *"Hospital" is a hospital licensed under chapter 144, a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada or a surgical center.*

Subd. 8. [NONRESIDENT HEALTH CARE PROVIDER.] *"Nonresident health care provider" means a health care provider that is not a resident health care provider.*

Subd. 9. [NONRESIDENT HOSPITAL.] *"Nonresident hospital" means a hospital physically located outside Minnesota.*

Subd. 10. [PHARMACY.] *"Pharmacy" means a pharmacy, as defined in section 151.01, if the only goods or services the pharmacy sells that qualify for reimbursement under the medical assistance program under chapter 256B are drugs and prosthetics.*

Subd. 11. [RESIDENT HEALTH CARE PROVIDER.] *"Resident health care provider" means a health care provider whose principal place of dispensing health care is in Minnesota.*

Subd. 12. [RESIDENT HOSPITAL.] *"Resident hospital" means a hospital physically located inside Minnesota.*

Subd. 13. [SURGICAL CENTER.] *"Surgical center" is an outpatient surgical center as defined in Minnesota Rules, chapter 4675 or a similar facility located in any other state or province or territory of Canada.*

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] *"Wholesale drug distributor" means a wholesale drug distributor required to be licensed under sections 151.42 to 151.51.*

Sec. 6. [295.51] [MINIMUM CONTACTS REQUIRED FOR JURISDICTION TO TAX GROSS REVENUE.]

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] *A hospital or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital or health care provider is transacting business in Minnesota only if it:*

(1) maintains an office in Minnesota;

(2) has employees, representatives, or independent contractors conducting business in Minnesota;

(3) regularly sells covered services to customers that receive the covered services in Minnesota;

(4) regularly solicits business from potential customers in Minnesota;

(5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;

(6) owns or leases tangible personal or real property physically located in Minnesota; or

(7) receives medical assistance payments from the state of Minnesota.

Subd. 2. [PRESUMPTION.] *A hospital or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for covered services from 20 or more patients domiciled in Minnesota in a calendar year.*

Sec. 7. [295.52] [TAXES IMPOSED.]

Subdivision 1. [HOSPITAL TAX.] *A tax is imposed on each hospital equal to two percent of its gross revenues.*

Subd. 2. [PROVIDER TAX.] *A tax is imposed on each health care provider equal to two percent of its gross revenues.*

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] *A tax is imposed on each wholesale drug distributor equal to two percent of its gross revenues.*

Subd. 4. [USE TAX; PRESCRIPTION DRUGS.] *A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributor that paid the tax under subdivision 3, is subject to a tax equal to two percent of the price paid. Liability for the tax is incurred when prescription drugs are received in Minnesota by the person.*

Sec. 8. [295.53] [EXEMPTIONS; SPECIAL RULES.]

Subdivision 1. [EXEMPTIONS.] *The following payments are excluded from the gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57:*

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for services performed by nursing homes licensed under chapter 144A, services provided in supervised living facilities and home health care services;

(4) payments received from hospitals for goods and services that are subject to tax under section 295.52;

(5) payments received from health care providers for goods and services that are subject to tax under section 295.52;

(6) amounts paid for prescription drugs to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program;

(8) payments received for providing services under the health right program under article 4; and

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota.

Subd. 2. [DEDUCTIONS FOR HMOS.] *(a) In addition to the exemptions allowed under subdivision 1, a health maintenance organization may deduct from its gross revenues for the year:*

(1) amounts added to reserves, if total reserves do not exceed 25 percent of gross revenues for the prior year;

(2) assessments for the comprehensive health insurance plan under section 62E.11 paid during the year; and

(3) an allowance for administration and underwriting.

(b) The commissioner of health, in consultation with the commissioners

of commerce and revenue, shall establish by rule under chapter 14 the percentage of health maintenance revenue that will be allowed as a deduction for administrative and underwriting expenses. The commissioner of health shall determine the percentage allowance based on the average expenses of health maintenance organizations that are equivalent to the claims administration and other underwriting services of third party payors. These expenses do not include the portion of health maintenance organization costs that are similar to the administrative costs of direct health care providers, rather than third party payors, and do not include costs deductible under paragraph (a), clauses (1) and (2). The commissioner of health may adopt emergency rules.

Subd. 3. [RESTRICTION ON ITEMIZATION.] *A hospital or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.*

Sec. 9. [295.54] [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Sec. 10. [295.55] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] *The provisions of this section apply to the taxes imposed under sections 295.50 to 295.58.*

Subd. 2. [ESTIMATED TAX; HOSPITALS.] *(a) Each hospital must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.*

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500 or if the hospital has been allowed a grant under section 144.1484, subdivision 2 for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] *(a) Each taxpayer, other than a hospital, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.*

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the

amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] *A taxpayer with an aggregate tax liability of $60,000 or more during a calendar quarter ending the last day of March, June, September, or December must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.*

Subd. 5. [ANNUAL RETURN.] *The taxpayer must file an annual return reconciling the estimated payments by March 15 of the following calendar year.*

Subd. 6. [FORM OF RETURNS.] *The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.*

Sec. 11. [295.57] [COLLECTION AND ENFORCEMENT; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided otherwise by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and criminal penalty provisions under chapter 289A, and collection and rulemaking provisions under chapter 270, apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 12. [295.58] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax on health maintenance organizations and nonprofit health service corporations in the health care access fund in the state treasury.

Sec. 13. [295.59] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional or in violation of federal law, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58. The legislature declares that it would have passed sections 295.50 to 295.58 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 14. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ *24* mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ *48* mills on each such cigarette.

Sec. 15. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.1~~ *1.0* percent from the face amount of the stamps for the first $1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ *.60* percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 16. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] *A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in section 297.03:*

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] *The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.*

Subd. 3. [DEPOSIT OF PROCEEDS.] *The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access fund.*

Sec. 17. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access fund in the state treasury. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue

includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 18. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 7, subdivision 1, for calendar year 1993, the exclusions under section 8, subdivision 1, clauses (5) and (6) do not apply.

Sec. 19. [PASSTHROUGH.]

Subdivision 1. [AUTHORITY.] *A hospital that is subject to a tax under section 7 may transfer additional expense generated by section 7 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, including copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 8. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapters 60A, 62A, 62C, 62D, 64B, or 62H, must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital or health care provider, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital to recover all or part of the section 7 obligation by other methods, including increasing fees or charges.*

Subd. 2. [EXPIRATION.] *This section expires January 1, 1994.*

Sec. 20. [STUDY.]

The commissioner of revenue, in consultation with the commissioner of health and the board of pharmacy, shall report to the legislature by November 1, 1992, on the expected impact of the wholesale drug distributor tax and the health care provider tax on pharmacies and pharmacists. If the commissioner determines that these taxes are not effective or equitable as applied to pharmacies and pharmacists, the commissioner shall recommend alternative methods of taxing prescription drugs.

Sec. 21. [FEDERAL WAIVER; HEALTH CARE RELATED TAX.]

The legislature finds that taxes imposed by this article are not subject to or in violation of the restrictions contained in the Social Security Act or other federal law. The tax is imposed solely to fund a state program and is not used to pay the state share of medical assistance. Nevertheless to avoid any ambiguity, the commissioner of human services shall apply to the secretary of the United States Department of Health and Human Services for a waiver to treat the tax imposed under section 7 as a broad-based health care related tax under section 1903 of the Social Security Act, 42 United States Code section 1396b.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 16 to 21 are effective the day following final enactment. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 14 and 15 are effective July

1, 1992.

ARTICLE 10

APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access fund to the agencies and for the purposes indicated, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	809,000
Subd. 3. Commissioner of Health	3,005,000
Subd. 4. Commissioner of Human Services	13,371,000
$20,000 of this appropriation is for a grant to the coalition responsible for establishing the demonstration project for low-income uninsured persons under Minnesota Statutes, section 256B.73, to provide consulting and marketing services related to the implementation of the health right program.	
Subd. 5. Higher Education Coordinating Board	189,000
This appropriation may be used as the required state match for any grants received by the University of Minnesota medical school.	
Subd. 6. Commissioner of Employee Relations	1,679,000
Subd. 7. Board of Regents of the University of Minnesota	2,200,000
Subd. 8. Commissioner of Revenue	917,000
Subd. 9. Legislature	125,000
This appropriation is for the legislative coordinating commission, to be divided between the senate and the house based on the recommendations of the legislative commission on health care access, for the purpose of adding staff in existing departments who will be assigned to the legislative commission.	
Subd. 10. Commissioner of Administration	27,000

Sec. 2. [TRANSFER.]

The commissioner of finance shall transfer $4,368,000 from the health care access fund to the general fund for fiscal year 1993. For purposes of preparing the biennial budget recommendations, the commissioner shall

assume a transfer of $4,605,000 for fiscal year 1994 and $5,467,000 for fiscal year 1995.

Sec. 3. [EFFECTIVE DATE.]

The appropriations in section 1 are effective July 1, 1992, except that $616,000 of the appropriation in section 1, subdivision 4, is available for fiscal year 1992."

Delete the title and insert:

"A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access fund; imposing taxes; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 60A.15, subdivision 1; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62C.01, subdivision 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1, 3, and 4; 144.581, subdivision 1; 144.8093; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; 297.02, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, section 62A.02, subdivisions 4 and 5."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Paul Anders Ogren, Lee Greenfield, Dave Gruenes, Roger Cooper

Senate Conferees: (Signed) Linda Berglin, Duane D. Benson, Pat Piper, Fritz Knaak, John C. Hottinger

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2800 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mrs. Brataas moved that the recommendations and Conference Committee Report on H.F. No. 2800 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion of Mrs. Brataas.

The roll was called, and there were yeas 21 and nays 44, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Mehrkens	Terwilliger
Beckman	Dahl	Halberg	Neuville	
Benson, J.E.	Day	Johnston	Olson	
Berg	Frank	Laidig	Renneke	
Bertram	Frederickson, D.R.	Larson	Samuelson	

Those who voted in the negative were:

Belanger	Finn	Knaak	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Novak	Sams
Berglin	Frederickson, D.J.	Langseth	Pappas	Solon
Bernhagen	Hottinger	Lessard	Pariseau	Spear
Chmielewski	Hughes	Luther	Piper	Stumpf
Cohen	Johnson, D.E.	Marty	Pogemiller	Traub
Davis	Johnson, D.J.	McGowan	Price	Vickerman
DeCramer	Johnson, J.B.	Merriam	Ranum	Waldorf
Dicklich	Kelly	Moe, R.D.	Reichgott	

The motion did not prevail.

The question recurred on the motion of Ms. Berglin. The motion prevailed.

H.F. No. 2800 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 18, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Davis	Halberg	Mehrkens	Samuelson
Bertram	Day	Johnston	Merriam	Terwilliger
Brataas	Frederickson, D.R.	Langseth	Olson	
Dahl	Gustafson	Larson	Renneke	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has reappointed the Conference Committee on Senate File No. 81:

S.F. No. 81: A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

The Committee on the part of the House consists of:

Janezich, Jefferson and Pellow.

Senate File No. 81 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1701:

H.F. No. 1701: A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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

Steensma, Rice and Kalis have been appointed as such committee on the part of the House.

House File No. 1701 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

Mr. Moe, R.D., for Mr. DeCramer, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1701, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2586, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2586 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2586

A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2586, report that we have

agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2586 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL CITY CULTURAL RESOURCES COMMISSION.]

Subdivision 1. The legislature finds that the capital city of Saint Paul:

(1) encourages the use of many of its downtown facilities for state agencies and their personnel;

(2) encourages a wide range of cultural attractions for tourists and visitors to the capital city that reflect its multicultural city and state community; and

(3) encourages the development of a strong link between the civic and cultural amenities of downtown and the capitol area to aid in economic development by establishing a true and distinguishable identity, building upon its civic and cultural industries to increase day and night time vitality.

Subd. 2. A capital city cultural resources commission is established to review and recommend to the state legislature, the Ramsey county board, and the mayor of Saint Paul, the proper use of state and local financial resources to develop Saint Paul as a "cultural capital," a resource for the state and region, including, but not limited to:

(1) acquisition, construction, expansion, and remodeling of facilities comprising the cultural capital area of Saint Paul and downtown, including, but not limited to, the Saint Paul Civic Center complex, Saint Paul Public Library, Science Museum of Minnesota, Children's Museum, Minnesota Museum of Art, the Dahl House, Ordway Music Theatre, Landmark Center, and the historic and cultural attractions of the capitol area;

(2) plans for the possible use of the downtown and capitol areas as educational and visitors' center for the capital city;

(3) stabilization and ongoing support of the civic and cultural industries;

(4) attracting and developing new cultural institutions; and

(5) riverfront enhancement for cultural, historical, and economic development purposes.

Subd. 3. The commission shall be composed of 22 members selected as follows:

(1) three members from the Minnesota house of representatives, selected by the speaker from among the members whose district represents all or part of the city of Saint Paul;

(2) three members from the Minnesota senate, selected by the senate committee on rules and administration from among the members whose district represents all or part of the city of Saint Paul;

(3) one member of the Ramsey county board, selected by the county board;

(4) the mayor of the city of Saint Paul;

(5) two members of the Saint Paul city council, selected by the council;

(6) the chair of the capitol area architectural and planning board or designee;

(7) four members of the public, selected by the mayor of the city of Saint Paul, who are residents of or have their principal place of business located within the city of Saint Paul;

(8) one appointee of the Minnesota Historical Society;

(9) one appointee of the Minnesota Humanities Commission;

(10) one appointee of District Council Number 17;

(11) one appointee of the Minnesota Association of Museums;

(12) one appointee of the Heritage Preservation Commission;

(13) one appointee of the Minnesota department of tourism; and

(14) one appointee of the Saint Paul Chamber of Commerce.

The commission shall select a chair from among its members. Members of the commission shall serve without compensation. Expenses that would be reimbursed for state employees shall be reimbursed to members. The commission may accept gifts, grants, or donations from public and private entities to assist with the cost of its work. Gifts, grants, or donations are not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Subd. 4. The members of the commission shall hold their first meeting on or before May 15, 1992. The commission shall review plans and recommend priorities for the development and financing of projects and programs. It shall submit a report on its findings and prioritized recommendations to the legislature, the city of Saint Paul, and the Ramsey county board on or before February 15, 1993.

Sec. 2. [EFFECTIVE DATE.]

Section 1 takes effect the day following final enactment and expires May 15, 1993."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Steve Trimble, Alice Hausman, Carlos Mariani

Senate Conferees: (Signed) Richard J. Cohen, Randy C. Kelly, Sandra L. Pappas

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2586 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2586 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1691 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1691

A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1691, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1691 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the

imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession

of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; *or*

(15) an officer, shareholder, director, partner, or employee from appearing on behalf of a corporation, partnership, sole proprietorship, or association in conciliation court in accordance with section 8 or in district court in an action that was removed from conciliation court.

Sec. 2. Minnesota Statutes 1990, section 487.30, subdivision 1, is amended to read:

Subdivision 1. [JURISDICTION; GENERAL.] (a) ~~Except as provided in paragraph (b).~~ The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~$4,000~~ *$5,000* for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the ~~county~~ *district* court for a trial on the merits. *Except as otherwise provided in this section,* the territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

~~(b) If the claim involves a consumer credit transaction, the amount of money or property that is the subject matter of the claim may not exceed $2,500. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:~~

~~(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;~~

~~(2) the buyer is a natural person;~~

~~(3) the claimant is the seller or lender in the transaction; and~~

~~(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.~~

The summons in an action under subdivisions 3a to 4 may be served anywhere within the state.

(b) If the controversy concerns the ownership or possession of personal property the value of which does not exceed $5,000, the court may determine

the ownership and possession of the property and order any party to deliver the property to another party. The order is enforceable by the sheriff of the county in which the property is located without further legal process.

Sec. 3. Minnesota Statutes 1990, section 487.30, subdivision 3a, is amended to read:

Subd. 3a. [JURISDICTION; STUDENT LOANS.] ~~Notwithstanding the provisions of subdivision 1 or any rule of court to the contrary,~~ The conciliation court *also* has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of the county under the following conditions:

(a) the student loan or loans were originally awarded in the county in which the conciliation court is located;

(b) ~~the loan or loans are overdue at the time the action is commenced;~~

~~(c) the amount sought in any single action does not exceed $4,000;~~

~~(d)~~ notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

~~(e)~~ *(c)* the notice states that the educational institution may commence a conciliation court action in the county where the loan was awarded to recover the amount of the loan.

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~

Sec. 4. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3b. [JURISDICTION; FOREIGN DEFENDANTS.] *(a) A conciliation court action may be commenced against a foreign corporation doing business in this state in the county where the corporation's registered agent is located; in the county where the cause of action arises, if the corporation has a place of business in that county; or, if the corporation does not appoint or maintain a registered agent in this state, in the county in which the plaintiff resides.*

(b) In the case of a nonresident other than a foreign corporation, if this state has jurisdiction under section 543.19, a conciliation court action may be commenced against the nonresident in the county in which the plaintiff resides.

Sec. 5. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3c. [JURISDICTION; MULTIPLE DEFENDANTS.] *A conciliation court action may be commenced by a plaintiff against two or more defendants in the county in which one or more of the defendants resides. Counterclaims may be commenced in the county where the original action was commenced.*

Sec. 6. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3d. [JURISDICTION: CERTAIN CLAIMS ARISING OUT OF RENTAL PROPERTY.] *An action under section 504.20 for the recovery of a deposit on rental property, or an action under section 504.245, 504.255, or 504.26, also may be brought in the county in which the rental property is located.*

Sec. 7. Minnesota Statutes 1990, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION: DISHONORED CHECKS.] The conciliation court *also* has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of the county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check that has been dishonored by a stop payment order. ~~Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The court administrator of conciliation court shall attach a copy of the dishonored check to the summons before it is issued.~~

Sec. 8. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 4a. [ATTORNEYS; REPRESENTATION.] *(a) A party to a conciliation court action may appear without an attorney or may be represented by an attorney when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge considers helpful. The court shall adopt simplified procedures to allow parties to represent themselves.*

(b) A corporation, partnership, sole proprietorship, or association may be represented by an officer or partner who is not an attorney or may appoint an employee who is not an attorney to appear on its behalf or settle a claim in conciliation court. If all the partners or shareholders of a partnership, association, or corporation are attorneys, an officer, partner, or employee who is an attorney may represent the partnership, association, or corporation. In the case of an employee, an authorized power of attorney or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing.

Sec. 9. Minnesota Statutes 1990, section 487.30, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF COSTS ON REMOVAL.] A notice of order for judgment shall contain a statement that if the cause is removed to ~~county~~ *district* court, the court may~~, in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. *The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under subdivision 8, and must include the actual dollar amount of costs applicable to the case.*

Sec. 10. Minnesota Statutes 1990, section 487.30, subdivision 8, is

amended to read:

Subd. 8. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs from the opposing party as provided by rules of the supreme court. If the removing party does not prevail, the court shall award the opposing party an additional ~~$200~~ *$250* as costs.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.

(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 10. [JUDGMENT DEBTOR DISCLOSURE.] *If a cause is removed to district court, judgment is entered by the district court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the district court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in subdivision 5 on the form provided by that subdivision. The remedies provided for a violation of subdivision 5 apply to a violation of this subdivision.*

Sec. 12. Minnesota Statutes 1990, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] ~~(a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of $4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed $2,000. "Consumer credit transaction"~~

~~has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.~~

~~(b) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.~~

~~(c) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Hennepin county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.~~

~~(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Hennepin county under the following conditions:~~

~~(1) the student loan or loans were originally awarded in Hennepin county;~~

~~(2) the loan or loans are overdue at the time the action is commenced;~~

~~(3) the amount sought in any single action does not exceed $3,500;~~

~~(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and~~

~~(5) the notice states that the educational institution may commence a conciliation court action in Hennepin county to recover the amount of the loan.~~

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~ *The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Hennepin county.*

Sec. 13. Minnesota Statutes 1990, section 488A.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] ~~The court administrator shall~~

~~promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action.~~ *The provisions of section 487.30 dealing with the notice of order apply in Hennepin county.*

Sec. 14. Minnesota Statutes 1990, section 488A.17, subdivision 10, is amended to read:

Subd. 10. [COSTS AND DISBURSEMENTS ON REMOVAL.] ~~(a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.~~

~~(b) If the removing party prevails in district court, the removing party may recover $5 as costs from the opposing party, together with disbursements in conciliation and district court. If the removing party does not prevail, the court shall award the opposing party an additional $200 as costs, together with disbursements.~~

~~(c) The removing party prevails in district court if:~~

~~(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;~~

~~(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;~~

~~(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or~~

~~(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.~~

~~(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.~~ *The provisions of section 487.30 dealing with costs and disbursements on removal apply in Hennepin county.*

Sec. 15. Minnesota Statutes 1990, section 488A.17, is amended by adding a subdivision to read:

Subd. 11a. [JUDGMENT DEBTOR DISCLOSURE.] *If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall upon*

request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.16, subdivision 8, on the form provided by that subdivision. The remedies provided for a violation of section 488A.16, subdivision 8, apply to a violation of this subdivision.

Sec. 16. Minnesota Statutes 1990, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] ~~(a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of $4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed $2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.~~

~~(b) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.~~

~~(c) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Ramsey county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.~~

~~(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Ramsey county under the following conditions:~~

~~(1) the student loan or loans were originally awarded in Ramsey county;~~

~~(2) the loan or loans are overdue at the time the action is commenced;~~

~~(3) the amount sought in any single action does not exceed $4,000;~~

~~(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and~~

~~(5) the notice states that the educational institution may commence a conciliation court action in Ramsey county to recover the amount of the loan.~~

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~ *The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Ramsey county.*

Sec. 17. Minnesota Statutes 1990, section 488A.33, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] ~~The administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall also contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action.~~ *The provisions of section 487.30 dealing with the notice of order apply in Ramsey county.*

Sec. 18. Minnesota Statutes 1990, section 488A.34, subdivision 9, is amended to read:

Subd. 9. [COSTS AND DISBURSEMENTS ON REMOVAL.] ~~(a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.~~

~~(b) If the removing party prevails in district court, the removing party may recover costs and disbursements from the opposing party as though the action were commenced in district court. If the removing party does not prevail, the court shall award the opposing party an additional $200 as costs, together with disbursements.~~

~~(c) The removing party prevails in district court if:~~

~~(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;~~

~~(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;~~

~~(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or~~

~~(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.~~

~~(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.~~ *The provisions of section 487.30 dealing with costs and disbursements on removal apply in Ramsey county.*

Sec. 19. Minnesota Statutes 1990, section 488A.34, is amended by adding a subdivision to read:

Subd. 10a. [JUDGMENT DEBTOR DISCLOSURE.] *If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.33, subdivision 7, on the form provided by that subdivision. The remedies provided for a violation of section 488A.33, subdivision 7, apply to a violation of this subdivision.*

Sec. 20. Minnesota Statutes 1990, section 549.02, is amended to read:

549.02 [COSTS IN DISTRICT COURTS.]

In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of $100 or more in an action for the recovery of money only, ~~when no issue of fact or law is joined, $5; when issue is joined, $10~~ *$100*. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, ~~$10~~ *$100*.

To defendant: ~~(1)~~ Upon discontinuance or dismissal~~; $5. (2)~~ *or* when judgment is rendered in the defendant's favor on the merits, ~~$10~~ *$100*.

To the prevailing party: (1) $5.50 for the cost of filing a satisfaction of the judgment.

This section does not apply to actions removed to district court from conciliation court.

Sec. 21. [CONCILIATION COURT JURISDICTION AMOUNTS.]

Subdivision 1. [INCREASE IN LIMITS.] *The conciliation court jurisdictional limit contained in Minnesota Statutes, section 487.30, subdivision 1, increases to $6,000 on July 1, 1993, and $7,500 on July 1, 1994.*

Subd. 2. [REVISOR'S INSTRUCTION.] *The revisor of statutes shall make the changes in the jurisdictional amounts provided in subdivision 1 in Minnesota Statutes 1993 Supplement and subsequent editions of the statutes.*

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.16, subdivision 1; 488A.17, subdivision 10, and by adding a subdivision; 488A.29, subdivision 3; 488A.33, subdivision 1; 488A.34, subdivision 9, and by adding a subdivision; and 549.02; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Randy C. Kelly, Richard J. Cohen, Fritz Knaak

House Conferees: (Signed) Thomas W. Pugh, Kris Hasskamp, Dave Bishop

Mr. Kelly moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1691 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1691 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Finn voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2314 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2314

A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2314, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Lawrence J. Pogemiller, Carol Flynn

House Conferees: (Signed) James I. Rice, John J. Sarna, Phyllis Kahn

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2314 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2314 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2194 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2194

A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a

subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2194, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2194 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 6.02, is amended to read:

6.02 [~~DEPUTY~~ *DEPUTIES*, EMPLOYEES.]

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss *two additional deputies and* a private secretary. *This section does not increase the complement of the state auditor.*

Sec. 2. Minnesota Statutes 1990, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in clause (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(4) resource investments through limited partnerships, private placements and corporations; *and*

(5) ~~debt obligations not subject to subdivision 3; and~~

~~(6)~~ international securities.

(b) The investments authorized in clause (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to clause (a) may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1),

(2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

Sec. 3. Minnesota Statutes 1990, section 13.76, is amended by adding a subdivision to read:

Subd. 3. [BUSINESSES SEEKING STATE INCENTIVES.] *Notwithstanding subdivision 1, any business seeking $250,000 or more in financial assistance from the state of Minnesota in the form of grants, loans, or tax incentives shall make available for public inspection its audited financial statements for the three most recent years. These statements shall include all information that would be required by the United States Securities and Exchange Commission prior to any public stock offering. This subdivision does not apply to financial assistance sought from the iron range resources and rehabilitation board or from a political subdivision of the state, including home rule charter and statutory cities, towns, counties, and all agencies, commissions, and councils established under chapter 473, as well as any authority or agency of such a political subdivision.*

Sec. 4. Minnesota Statutes 1990, section 15A.082, is amended by adding a subdivision to read:

Subd. 4a. [CONSTITUTIONAL OFFICERS.] *No constitutional officer whose compensation is set under this section may receive monetary compensation for unused vacation or sick leave accruals.*

Sec. 5. [279.025] [PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL ASSESSMENTS.]

Payment of delinquent property tax and related interest and penalties and special assessments shall be paid to the county auditor with United States currency or by check or money order drawn on a bank or other financial institution in the United States.

Sec. 6. Minnesota Statutes 1990, section 367.36, subdivision 1, is amended to read:

Subdivision 1. [INCUMBENT TREASURER; ANNUAL AUDIT.] In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If the offices of clerk and treasurer are combined, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. *Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.*

Sec. 7. Minnesota Statutes 1990, section 412.222, is amended to read:

412.222 [PUBLIC ACCOUNTANTS IN STATUTORY CITIES.]

The council of any city may employ public accountants on a monthly or yearly basis for the purpose of auditing, examining, and reporting upon the books and records of account of such city. For the purpose of this section ~~public accountants are defined as any individuals who for a period of five years prior to the date of such employment have been actively engaged exclusively in the practice of public accounting~~, *"public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.* All expenditures for these purposes shall be within the statutory limits upon tax levies in such cities.

Sec. 8. Minnesota Statutes 1990, section 462.396, subdivision 4, is amended to read:

Subd. 4. The commission shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the commission shall be made by check signed by the chair or vice-chair or secretary of the commission and countersigned by the executive director or an authorized deputy thereof after such auditing and approval of the expenditure as may be provided by rules of the commission. The state auditor shall audit the books and accounts of the commission once each year, or as often as funds and personnel of the state auditor permit. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the auditors while actually engaged in making such examination. The general fund shall be credited with all collections made for any such examination. *In lieu of an annual audit by the state auditor, the commission may contract with a certified public accountant for the annual audit of the books and accounts of the commission. If a certified public accountant performs the audit, the commission shall send a copy of the audit to the state auditor.*

Sec. 9. Minnesota Statutes 1990, section 471.49, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC ACCOUNTANT.] *"Public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.*

Sec. 10. Minnesota Statutes 1990, section 471.66, is amended to read:

471.66 [VACATIONS.]

Subdivision 1. ~~Hereafter~~ The governing body of each city and town in the state of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

Subd. 2. Nothing in ~~the foregoing provisions~~ *subdivision 1* shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city or town the right to grant vacations based on service of its employees or officers rendered prior to the enactment of such ordinance or resolution.

Subd. 3. No elected official of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other

political subdivision of this state, may receive monetary compensation for unused vacation or sick leave accruals. Nothing in this subdivision shall restrict an elected official from taking vacation or sick leave time that may be provided for by resolution or ordinance of the governing body of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state.

Sec. 11. Minnesota Statutes 1990, section 471.68, is amended by adding a subdivision to read:

Subd. 3. [PICTURES PROHIBITED.] *When a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, issues a report or other publication for public distribution to inform the general public of the activities of the political subdivision, the report or publication must not include pictures of elected officials nor any other pictorial or graphic device that would tend to attribute the publication to an individual or groups of individuals instead of the political subdivision. Directories of public services provided by the political subdivision are exempt from this subdivision.*

Sec. 12. Minnesota Statutes 1990, section 471.696, is amended to read:

471.696 [FISCAL YEAR; DESIGNATION.]

Beginning in 1979, the fiscal year of a city and all of its funds shall be the calendar year, *except that a city may, by resolution, provide that the fiscal year for city-owned nursing homes be the reporting year designated by the commissioner of human services. Beginning in 1994, the fiscal year of a town and all of its funds shall be the calendar year.* The state auditor may upon request of a ~~city~~ *town* and a showing of inability to conform, extend the deadline for compliance with this section for one year~~, except that a city may, by resolution, provide that the fiscal year for city owned nursing homes be the reporting year designated by the commissioner of human services~~.

Sec. 13. Minnesota Statutes 1990, section 471.697, is amended to read:

471.697 [FINANCIAL REPORTING; AUDITS; CITIES *AND TOWNS* OF MORE THAN 2,500 POPULATION.]

Subdivision 1. In any city with a population of more than 2,500 according to the latest federal census, *or town with a population of more than 2,500 according to the latest federal census with an annual revenue of $500,000 or more,* the city clerk ~~or~~, chief financial officer, *town clerk, or town clerk-treasurer* shall:

(a) Prepare a financial report covering the city's *or town's* operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year ~~and~~. *Cities shall* publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial statements and disclosures which present the city's *or town's* financial position and the results of city *or town* operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in the clerk's or financial officer's office for

public inspection and present it to the city council *or town board* after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city *or town* and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

A municipal hospital or nursing home established before June 6, 1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. The state auditor shall continue to audit cities of the first class pursuant to section 6.49.

Sec. 14. Minnesota Statutes 1990, section 471.6985, is amended to read:

471.6985 [FINANCIAL ~~STATEMENT PUBLICATION~~ *REPORTING; AUDITS*; MUNICIPAL LIQUOR STORE.]

Subdivision 1. Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18-point: "Analysis of . . . . . (city) . . . . . municipal liquor store operations for . . . . . (year) . . . . . " and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Nonoperating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698. The statement may at the option of the city council be incorporated into the reports published pursuant to sections 471.697 and 471.698, in accordance with a form and style prescribed by the state auditor.

Subd. 2. Any city operating a municipal liquor store with total annual sales in excess of $350,000 shall submit to the state auditor audited financial statements for the liquor store that have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.

Sec. 15. Minnesota Statutes 1990, section 477A.017, subdivision 2, is amended to read:

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities *and towns* of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Sec. 16. Minnesota Statutes 1990, section 609.415, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 609.415 to 609.465, and 609.515,

(1) "Public officer" means:

(a) an executive or administrative officer of the state or of a county, municipality or other subdivision or agency of the state;

(b) a member of the legislature or of a governing board of a county, municipality, or other subdivision of the state, or other governmental instrumentality within the state;

(c) a judicial officer;

(d) a hearing officer;

(e) a law enforcement officer; or

(f) any other person exercising the functions of a public officer.

(2) "Public employee" means a person employed by or acting for the state or a county, municipality, or other subdivision or governmental instrumentality of the state for the purpose of exercising their respective powers and performing their respective duties, and who is not a public officer.

(3) "Judicial officer" means a judge, court commissioner, referee, or any other person appointed by a judge or court to hear or determine a cause or controversy.

(4) "Hearing officer" means any person authorized by law or private agreement to hear or determine a cause or controversy who is not a judicial officer.

(5) "Political subdivision" means a county, town, statutory or home rule charter city, school district, special service district, or other municipal corporation of the state of Minnesota.

Sec. 17. [609.456] [REPORTING TO STATE AUDITOR REQUIRED.]

Whenever a public employee or public officer of a political subdivision discovers evidence of theft, embezzlement, or unlawful use of public funds or property, the employee or elected official shall, except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation, promptly report in writing to the state auditor a detailed description of the alleged incident or incidents.

Sec. 18. [PROPERTY TAXES AND SPECIAL ASSESSMENTS; HRA AGREEMENT.]

If before August 1, 1990, a housing and redevelopment authority has entered into an agreement with the owner to improve the property in the redevelopment area, all property taxes and special assessments payable to the political subdivisions on that property in the redevelopment area are not subject to the limitation in Laws 1991, chapter 336, article 2, section 11, clause

(9).

Sec. 19. [NEWSPAPER; QUALIFICATION.]

A newspaper otherwise in compliance with Minnesota Statutes, section 331A.02, subdivision 1, between September 1, 1991, and December 31, 1991, shall not be deemed to have lost its qualified status because any issue published between September 1, 1991, and December 31, 1991, failed to include the minimum number of column-inches required by Minnesota Statutes, section 331A.02, subdivision 1.

Sec. 20. [AIRLINE TRAVEL CREDIT.]

(a) Whenever public funds are used to pay for airline travel by an elected official or public employee, any credits or other benefits issued by any airline must accrue to the benefit of the public body providing the funding. In the event the issuing airline will not honor a transfer or assignment of any credit or benefit, the individual passenger shall report receipt of the credit or benefit to the public body issuing the initial payment within 90 days of receipt.

(b) By July 1, 1993, the appropriate authorities in the executive, legislative, and judicial branches of the state and the governing body of each political subdivision shall develop and implement policies covering accrual of credits or other benefits issued by an airline whenever public funds are used to pay for airline travel by a public employee or an elected or appointed official. The policies must apply to all airline travel, regardless of where or how tickets are purchased. The policies must include procedures for reporting receipt of credits or other benefits.

Sec. 21. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 19 is effective the day following enactment. Section 18 is effective June 30, 1992."

Delete the title and insert:

"A bill for an act relating to authorizing two additional deputies in the state auditor's office; regulating certain investments; providing for certain audits, reports, and payments; prohibiting monetary compensation for unused vacation or sick leave to certain state and local officers; setting conditions for certain state laws; prohibiting the use of pictures of elected officials in certain local government publications; requiring that airline travel credit accrue to the issuing public body and requiring policies covering the benefits issued by airlines for travel paid for by public funds; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 462.396, subdivision 4; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Ember D. Reichgott, Gene Waldorf, Dennis R. Frederickson

House Conferees: (Signed) Thomas W. Pugh, Robert P. Milbert, Ron Abrams

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2194 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2194 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Lessard voted in the negative.

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

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2269, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2269 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2269

A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; requiring a recommendation to the legislature; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2269, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2269 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 473.661, subdivision 1, is amended to read:

Subdivision 1. The ~~commissioner~~ *commissioners* shall, on or before the first day of July of each year, prepare a detailed budget of the needs of the corporation for the next fiscal year, specifying separately in said budget the amounts to be expended for acquisition of property, construction, payments on bonded indebtedness, if any, operation, *noise mitigation*, and maintenance, respectively, subject only to such changes as the commissioners may from time to time approve.

Sec. 2. Minnesota Statutes 1990, section 473.661, is amended by adding a subdivision to read:

Subd. 4. [NOISE MITIGATION.] *(a) According to the schedule in paragraph (b) of this subdivision, commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed, or any combination of the three.*

(b) The noise mitigation program described in paragraph (a) of this subdivision shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) The commission's capital improvement projects, program, and plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(d) Within 60 days of submitting the commission's and the metropolitan council's report and recommendations on major airport planning to the

legislature as required by section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the legislature regarding appropriate funding levels for noise mitigation at Minneapolis-St. Paul International Airport and in the neighboring communities.

Sec. 3. [APPLICATION.]

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

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Edwina Garcia, Irv Anderson, Kathleen Blatz

Senate Conferees: (Signed) Phil J. Riveness, John Marty

Mr. Riveness moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2269 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2269 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston and Mr. Knaak voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Ms. Berglin moved that the reports from the Committee on Health and Human Services, reported January 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing reports be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the reports from the Committee on Health and Human Services, reported January 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HEALTH
COMMISSIONER

Marlene E. Marschall, 670 Lovell Avenue, Roseville, Ramsey County, Minnesota, effective June 1, 1991, for a term expiring on the first Monday in January, 1995.

DEPARTMENT OF HUMAN SERVICES
COMMISSIONER

Natalie Haas Steffen, 7007 Northwest 164th Avenue, Ramsey, Anoka County, Minnesota, effective January 23, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Ms. Berglin moved that the report from the Committee on Health and Human Services, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing report be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the report from the Committee on Health and Human Services, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF CORRECTIONS
COMMISSIONER

Orville B. Pung, 14499 North 57th Street, Stillwater, Washington County, Minnesota, effective September 27, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the report from the Committee on Judiciary, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Spear moved that the foregoing report be now adopted. The motion prevailed.

Mr. Spear moved that in accordance with the report from the Committee on Judiciary, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER

David L. Beaulieu, Ph.D., 111 East Kellogg Boulevard, St. Paul, Ramsey County, effective October 28, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the appointments of notaries public, received March 19, 1992, be taken from the table. The motion prevailed.

Mr. Spear moved that the Senate do now consent to and confirm the appointments of the notaries public. The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Davis moved that the report from the Committee on Agriculture and Rural Development, reported March 5, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Davis moved that the foregoing report be now adopted. The motion prevailed.

Mr. Davis moved that in accordance with the report from the Committee on Agriculture and Rural Development, reported March 5, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF ANIMAL HEALTH

Patty Christensen, Box 87, Milroy, Redwood County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

Russell John Wirt, Route 1, Box 45, Lewiston, Winona County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Metzen moved that the report from the Committee on Economic Development and Housing, reported March 9, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing report be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the report from the Committee on Economic Development and Housing, reported March 9, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Donna Holstine, 2147 Knollwood Drive, Fairmont, Martin County, Minnesota, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. DeCramer moved that the report from the Committee on Transportation, reported March 27, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. DeCramer moved that the foregoing report be now adopted. The motion prevailed.

Mr. DeCramer moved that in accordance with the report from the Committee on Transportation, reported March 27, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER

Thomas M. Frost, 1558 Fulham Street, St. Paul, Ramsey County, Minnesota, effective October 8, 1991, for a term expiring on the first Monday in January, 1995.

DEPARTMENT OF TRANSPORTATION
COMMISSIONER

James N. Denn, 8617 Riverview Lane, Brooklyn Park, Hennepin County, Minnesota, effective December 2, 1991, for term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Berg moved that the reports from the Committee on Gaming Regulation, reported April 10, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Berg moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Berg moved that in accordance with the reports from the Committee on Gaming Regulation, reported April 10, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

GAMBLING CONTROL BOARD
DIRECTOR

Harold W. Baltzer, 11128 Hyland Terrace, Eden Prairie, Hennepin County, Minnesota, effective August 5, 1991, for a term expiring on the first Monday in January, 1995.

GAMBLING CONTROL BOARD

Dorothy Liljegren, R.R. 1, Box 246F, Pequot Lakes, Crow Wing County, Minnesota, effective August 19, 1991, for a term expiring on June 30, 1994.

MINNESOTA RACING COMMISSION

Mark J. Custer, 809 Sixth Avenue, Howard Lake, Wright County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1995.

James H. Filkins, 10600 Aquila Avenue South, Bloomington, Hennepin County, Minnesota, effective December 16, 1991, for a term expiring on June 30, 1995.

Stephen A. Lawrence, Box 166, Frontenac, Goodhue County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1997.

Richard L. Pemberton, 701 West Cavour, Fergus Falls, Otter Tail County, Minnesota, effective September 10, 1991, for a term expiring on June 30,

1997.

Cynthia Schuneman Piper, 2505 Willow Drive, Hamel, Hennepin County, Minnesota, effective September 10, 1991, for a term expiring on June 30, 1997.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Bertram moved that the reports from the Committee on Veterans and General Legislation, reported March 27, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Bertram moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Bertram moved that in accordance with the reports from the Committee on Veterans and General Legislation, reported March 27, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE ARTS

Joseph Duffy, 1032 Plummer Circle Southwest, Rochester, Olmsted County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Dolly Fiterman, 4637 East Lake Harriet Parkway, Minneapolis, Hennepin County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Teresa K. Parker, Route 1, Box 253, Henning, Otter Tail County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Conrad Razidlo, 4237 Lynn Avenue South, Edina, Hennepin County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

Lucy Rieth, 10011 North Shore Drive, Spicer, Kandiyohi County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1995.

M. Judith Schmidt, 305 South Jefferson, Houston, Houston County, Minnesota, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Elizabeth C. Whitbeck, 2717 Ewing Avenue South, Minneapolis, Hennepin County, Minnesota, effective February 18, 1991, for a term expiring on the first Monday in January, 1994.

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main, 1575 Crest Drive, Chaska, Carver County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Elaine R. Mathiason, 6308 Waterman, Edina, Hennepin County, Minnesota, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

Dennis E. McNeil, 436 West Luverne Street, Luverne, Rock County,

Minnesota, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

Robert W. Reif, M.D., 2344 South Shore Boulevard, White Bear Lake, Ramsey County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Dahl moved that the reports from the Committee on Education, reported April 11, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dahl moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Dahl moved that in accordance with the reports from the Committee on Education, reported April 11, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Philip C. Brunelle, 4211 Glencrest Road, Golden Valley, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Jean W. Greener, 1018 West Minnehaha Parkway, Minneapolis, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Sheila Livingston, 2530 Vale Crest Road, Golden Valley, Hennepin County, Minnesota, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Sharon L. Bailey-Bok, 1991 Sheridan Avenue South, Minneapolis, Hennepin County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Carl W. Cummins III, 2312 Nashua Lane, Mendota Heights, Ramsey County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Edward F. Zachary, 84 Saratoga Court, Winona, Winona County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1994.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Kathryn Balstad Brewer, 321 Silver Lake Road, New Brighton, Ramsey County, Minnesota, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

STATE BOARD FOR COMMUNITY COLLEGES

Margaret Dolan, 5357 Chowen Avenue South, Minneapolis, Hennepin County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

Craig Shaver, 165 East Grove, Wayzata, Hennepin County, Minnesota,

effective January 6, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF EDUCATION

George Jernberg, 340 Parkview, Detroit Lakes, Becker County, Minnesota, effective March 4, 1992, for a term expiring on the first Monday in January, 1996.

STATE BOARD OF TECHNICAL COLLEGES

Joan "Jody" Olson, 301 Pine Avenue North, Canby, Yellow Medicine County, Minnesota, effective October 30, 1991, for a term expiring on the first Monday in January, 1993.

Terance Smith, 673 Schilling Circle Northwest, Forest Lake, Washington County, Minnesota, effective December 23, 1991, for a term expiring on the first Monday in January, 1994.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Frank moved that the reports from the Committee on Metropolitan Affairs, reported April 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the reports from the Committee on Metropolitan Affairs, reported April 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

METROPOLITAN COUNCIL

Susan E. Anderson, 11031 President Drive Northeast, Blaine, Anoka County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Polly Peterson Bowles, 6020 Ashcroft Avenue South, Edina, Hennepin County, Minnesota, effective September 16, 1991, for a term expiring on the first Monday in January, 1993.

Bonita D. Featherstone, 908 Woodlawn Court, Burnsville, Dakota County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

James J. Krautkremer, 6425 Shingle Creek Drive, Brooklyn Park, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Carol Kummer, 4818 30th Avenue South, Minneapolis, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

E. Craig Morris, 16412 7th Street Lane South, Lakeland, Washington County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Esther Newcome, 2374 Joy Avenue, White Bear Lake, Ramsey County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1993.

Donald B. Riley, 1338 Washburn Avenue North, Minneapolis, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Sondra R. Simonson, 2815 Overlook Drive, Bloomington, Hennepin County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

Diane Z. Wolfson, 1117 Goodrich Avenue, St. Paul, Ramsey County, Minnesota, effective April 2, 1991, for a term expiring on the first Monday in January, 1995.

REGIONAL TRANSIT BOARD

Maryann Campo, 512 West 53rd Street, Minneapolis, Hennepin County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1993.

Sharon Feess, 5301 Hamilton Lane, Brooklyn Park, Hennepin County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Ruth Franklin, 430 Rice Street, Anoka, Anoka County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Val M. Higgins, 1766 Morgan Road, Long Lake, Hennepin County, Minnesota, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

Ruby Hunt, 1148 Edgcumbe Road, St. Paul, Ramsey County, Minnesota, effective October 17, 1991, for a term expiring on the first Monday in January, 1993.

Thomas Sather, 3740 Brighton Way South, Arden Hills, Ramsey County, Minnesota, effective February 13, 1992, for a term expiring on the first Monday in January, 1993.

Don Scheel, 13404 South Fifth Street, Afton, Washington County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Thomas Workman, 7233 Pontiac Circle, Chanhassen, Carver County, Minnesota, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Novak moved that the reports from the Committee on Energy and Public Utilities, reported April 15, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Novak moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Novak moved that in accordance with the reports from the Committee on Energy and Public Utilities, reported April 15, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

PUBLIC UTILITIES COMMISSION

Thomas A. Burton, 822 Sierra Lane Northeast, Rochester, Olmsted County, Minnesota, effective April 3, 1992, for a term expiring on the first Monday in January, 1993.

Donald A. Storm, 5109 Grove Street, Edina, Hennepin County, Minnesota, effective December 11, 1991, for a term expiring on the first Monday in January, 1992; and effective January 6, 1992, for a term expiring on the first Monday in January, 1998.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2608, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2608 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2608

A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2608, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 2608 be further amended as follows:

Page 1, after line 24, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 31, 1992."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Rich O'Connor, John J. Sarna, Richard H. Anderson

Senate Conferees: (Signed) Sam G. Solon, James P. Metzen, Cal Larson

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2608 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2608 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Lessard voted in the negative.

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

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1701: Messrs. DeCramer, Langseth and Terwilliger.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

Senate File No. 1959 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 1959 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding subdivisions; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 84.

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

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

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Adkins	Hughes	Marty	Pappas	Riveness
Belanger	Johnson, D.E.	McGowan	Piper	Solon
Berglin	Kelly	Mondale	Ranum	Spear
Flynn	Knaak	Novak	Reichgott	Traub
Frederickson, D.J.	Luther	Olson	Renneke	

Those who voted in the negative were:

Beckman	Dahl	Johnson, D.J.	Mehrkens	Price
Benson, D.D.	Davis	Johnson, J.B.	Merriam	Sams
Benson, J.E.	Day	Johnston	Metzen	Stumpf
Berg	Dicklich	Kroening	Moe, R.D.	Vickerman
Bernhagen	Frank	Laidig	Morse	Waldorf
Bertram	Frederickson, D.R.	Langseth	Neuville	
Brataas	Halberg	Larson	Pariseau	
Chmielewski	Hottinger	Lessard	Pogemiller	

So the bill, as amended, failed to pass.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2628: A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

Senate File No. 2628 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Kelly moved that the Senate concur in the amendments by the House to S.F. No. 2628 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2628 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2743: A bill for an act relating to insurance; regulating Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; regulating the Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315; 62A.36,

subdivision 1; 62A.38; 62A.39; 62A.42; 62A.436; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; 62E.10, subdivision 9; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A.

Senate File No. 2743 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Hottinger moved that the Senate concur in the amendments by the House to S.F. No. 2743 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2743 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Lessard moved that the vote whereby S.F. No. 1959 failed to pass the Senate on April 16, 1992, be now reconsidered. The motion prevailed.

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 1959, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2662: A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, sections 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

Senate File No. 2662 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 2662 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2662 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1821: A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, subdivision 1.

Senate File No. 1821 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1821 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1821 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Pogemiller voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2031, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2031 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2031

A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2031, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2031 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity and an aggregate equalized net tax capacity for the various classes of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity and the adjusted net tax capacity, respectively. The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining the adjusted gross tax capacity and the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities and adjusted net tax capacities. On or before April 15 annually, the department of revenue shall file its final report on the adjusted gross tax capacities and adjusted net tax capacities established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of local tax rates. A copy of the report so filed shall be mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing

Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. *For purposes of this section, section 270.12, subdivision 2, clause (8), and section 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.*

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity and adjusted net tax capacity of agricultural lands for the calculation of adjusted gross tax capacities and adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

Sec. 2. Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, 9, ~~and~~ 11, *and 12* or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under $100 is rounded up to $100 and any amount exceeding $100 shall be rounded to the nearest $100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, ~~the fact that such~~ *platted* property ~~is platted~~ shall be ~~taken into account. An individual lot of such platted property shall be assessed at its market value beginning with the first assessment following final approval of the plat~~ *assessed as provided in subdivision 12*. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 3. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 12. [VACANT LAND PLATTED ON OR AFTER AUGUST 1, 1991.] *(a) All land platted on or after August 1, 1991, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.*

(b) The market value determined in paragraph (a) shall be increased as follows for each of the three assessment years immediately following the final approval of the plat: one-third of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the three subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the three years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

Sec. 4. Minnesota Statutes 1990, section 414.0325, is amended by adding a subdivision to read:

Subd. 1a. [ORDERLY ANNEXATION BY PETITION.] *If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 60 days of the request. Any person aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.*

At least 30 days before a petition is filed for annexation under this subdivision or section 414.033, the petitioner must be notified by the municipality that the cost of utility service to the petitioner may change if the land is annexed to the municipality. The notice must estimate the cost impact of any change in utility services, including rate changes and assessments, resulting from the annexation.

Sec. 5. Minnesota Statutes 1990, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

~~(a)~~ *(1)* the land is owned by the municipality; ~~or~~

~~(b)~~ *(2)* the land is completely surrounded by land within the municipal limits; *or*

(3) the land abuts the municipality and the area to be annexed is 60 acres or less, and the municipality receives a petition for annexation from all the

property owners of the land.

Sec. 6. Minnesota Statutes 1990, section 414.033, is amended by adding a subdivision to read:

Subd. 2a. [MUNICIPALITY MAY ANNEX.] *Notwithstanding the abutting requirement of subdivision 1, if land is owned by a municipality or if all of the landowners petition for annexation, and the land is within an existing orderly annexation area as provided by section 414.0325, then the municipality may declare the land annexed.*

Sec. 7. Minnesota Statutes 1990, section 414.033, subdivision 3, is amended to read:

Subd. 3. If the perimeter of the area to be annexed by a municipality is 60 percent or more bordered by the municipality and if the area to be annexed is 40 acres or less, the municipality shall serve notice of intent to annex upon the town board and the municipal board, *unless the area is appropriate for annexation by ordinance under subdivision 2, clause (3).* The town board shall have 90 days from the date of service to serve objections with the board. If no objections are forthcoming within the said 90 day period, such land may be annexed by ordinance. If objections are filed with the board, the board shall conduct hearings and issue its order as in the case of annexations under section 414.031, subdivisions 3 and 4.

Sec. 8. Minnesota Statutes 1990, section 414.033, subdivision 5, is amended to read:

Subd. 5. If the land is platted, or, if unplatted, does not exceed 200 acres, ~~the property owner or~~ a majority of the property owners in number may petition the municipal council to have such land included within the abutting municipality and, within ten days thereafter, shall file copies of the petition with the board, the town board, the county board and the municipal council of any other municipality which borders the land to be annexed. Within 90 days from the date of service, the town board or the municipal council of such abutting municipality may submit written objections to the annexation to the board and the annexing municipality. Upon receipt of such objections, the board shall proceed to hold a hearing and issue its order in accordance with section 414.031, subdivisions 3, 4, and 5. If written objections are not submitted within the time specified hereunder and if the municipal council determines that property proposed for the annexation is now or is about to become urban or suburban in character, it may by ordinance declare such land annexed to the municipality. If the petition is not signed by all the property owners of the land proposed to be annexed, the ordinance shall not be enacted until the municipal council has held a hearing on the proposed annexation after at least 30 days mailed notice to all property owners within the area to be annexed.

Sec. 9. [VACANT LAND PLATTED BEFORE AUGUST 1, 1991.]

All land platted before August 1, 1991, and not improved with a structure shall be assessed as provided in this section. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or part of which is located on the lot, or for a period of three years after final approval of the plat, whichever is shorter. When a lot is sold or construction begun, that lot shall be eligible for revaluation.

Sec. 10. [TOWNS OF QUEEN AND EDEN; FOREST FIRE PROTECTION DISTRICTS.]

Notwithstanding Minnesota Statutes, section 88.08 or other law, the commissioner of natural resources may not create and establish forest fire protection districts, in whole or in part, within the towns of Queen and Eden in Polk county.

Sec. 11. [LOCAL APPROVAL.]

Section 10 is effective for each of the towns named in section 10 the day after the filing of a certificate of local approval by the town board of the respective town in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 414.031, subdivision 5, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 2, and 9 are effective the day following final enactment. Section 3 is effective for assessments in 1992 and thereafter."

Delete the title and insert:

"A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; allowing for orderly annexations by petition and by ordinance; limiting the establishment of certain fire protection district; amending Minnesota Statutes 1990, sections 124.2131, subdivision 1; 273.11, by adding a subdivision; 414.0325, by adding a subdivision; and 414.033, subdivisions 2, 3, 5, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1; repealing Minnesota Statutes 1990, section 414.031, subdivision 5."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Edgar L. Olson, William H. "Bill" Schreiber, Joel Jacobs

Senate Conferees: (Signed) Ember D. Reichgott, Carol Flynn, Leonard R. Price

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2031 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2031 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 1821 was passed by the Senate on April 16, 1992, be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that S.F. No. 1821 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2137: A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 2137, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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. Morse, Ms. Johnson, J.B.; Messrs. Merriam and Marty introduced—

S.F. No. 2803: A bill for an act relating to energy; providing for a transition to a sustainable energy future; providing for more efficient energy use; encouraging greater renewable energy production; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Energy and Public Utilities.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 1821 be taken from the table. The motion prevailed.

S.F. No. 1821: A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, subdivision 1.

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

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

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

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2137: Messrs. Hottinger, Neuville and Samuelson.

S.F. No. 1959: Messrs. Luther, Morse and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1903, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1903 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1903

A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1903, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1903 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

The sums in the column under "APPROPRIATIONS" are appropriated

from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

TECHNICAL COLLEGES	$ 12,907,000
COMMUNITY COLLEGES	14,630,000
STATE UNIVERSITIES	12,870,000
UNIVERSITY OF MINNESOTA	61,900,000
K-12 EDUCATION	25,836,000
HUMAN SERVICES	24,105,000
CORRECTIONS	15,382,000
JOBS AND TRAINING	2,000,000
HOUSING FINANCE AGENCY	3,000,000
ADMINISTRATION	26,396,000
MILITARY AFFAIRS	2,400,000
TRADE AND ECONOMIC DEVELOPMENT	4,550,000
PUBLIC FACILITIES AUTHORITY	7,500,000
SCIENCE MUSEUM OF MINNESOTA	200,000
NATURAL RESOURCES	11,682,000
BOARD OF WATER AND SOIL RESOURCES	1,250,000
AGRICULTURE	365,000
POLLUTION CONTROL AGENCY	13,050,000
OFFICE OF WASTE MANAGEMENT	2,000,000
MINNESOTA ZOOLOGICAL GARDEN	1,820,000
HISTORICAL SOCIETY	2,375,000
TRANSPORTATION	28,849,000
BOND SALE EXPENSES	260,000
CANCELLATIONS	(327,000)
TOTAL	$275,000,000
Bond Proceeds Fund	231,695,000
General Fund	1,889,000
Maximum Effort School Loan Fund	12,130,000
State Airports Fund	2,000,000
Trunk Highway Fund	10,113,000
Transportation Fund	17,500,000

APPROPRIATIONS

$

Sec. 2. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section. 12,907,000

Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of technical colleges may approve a request by a local school board to use any unobligated balance in the technical college debt redemption fund to pay the district's share of construction projects authorized in this section.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of technical colleges must not make grants to school districts but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings, structures, and improvements provided for in this section.

During the biennium, the state board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications. Until June 30, 1994, the state board of technical colleges may acquire lands or sites for public buildings or real estate by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

During the biennium, the state board may delegate the authority provided in this section to the campus president for repair and replacement projects with a total cost of less than $50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by

a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

The state board may delegate responsibilities to technical college staff.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,700,000

This appropriation is for roof repair and replacement, code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and handicap access throughout the technical college system. This appropriation includes up to $70,000 to rehabilitate the existing diesel shop at Willmar Technical College.

(b) Minneapolis Technical College 5,700,000

This appropriation is for the restoration of the exterior walls and roof. The total cost of this project must not exceed $6,706,000 whether paid from state, local, or federal money.

Subd. 3. Brainerd Technical College 1,200,000

This appropriation is for working drawings for the joint campus with Brainerd Community College. The technical college board must consult with the community college board throughout the project.

This appropriation may not be used to relocate or replace athletic fields or facilities. Costs associated with this relocation or replacement must be paid from local money.

The state board of technical colleges may sell the current Brainerd Technical College site to independent school district No. 181, Brainerd, for the appraised value of the property.

Subd. 4. Duluth Technical College 680,000

(a) This appropriation is for working drawings to remodel and construct classroom, lab, library, and child care space.

This project will accommodate general education offered by the community college system and technical education offered by the technical college system on a single site. Duluth Technical College must consult with the community college system throughout the project. The total cost of this project must not exceed $800,000 whether paid from state, local, or federal money.

(b) The state board shall supervise the construction of an aircraft rescue firefighting training center. The total cost of the project shall be paid from federal and local money.

Subd. 5. Red Wing Technical College 327,000

(a) The appropriation in Laws 1988, chapter 703, article 2, section 2, subdivision 2, paragraph (d), is canceled.

(b) $327,000 is for remodeling to consolidate the campuses.

Subd. 6. Northwest Minnesota Interactive Television Project 300,000

This appropriation is from the general fund.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in this section. 14,630,000

During the biennium, the state board for community colleges shall supervise and control the making of necessary repairs to all community college buildings and structures.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,500,000

This appropriation is for code compliance, critically needed repair of buildings, roof replacement and repair, hazardous material and asbestos abatement, mechanical/electrical system rehabilitation, parking lots, and handicap

access throughout the community college system.

(b) North Hennepin Community College 2,980,000

This appropriation is to construct and equip a new heating and cooling plant, upgrade energy control systems, install a dedicated fire suppression loop and hydrants, and make traffic modifications.

Subd. 3. Austin Community College 7,150,000

This appropriation is for the construction and remodeling of a learning resource center, offices, campus center, classrooms, lab space, fitness center, and mechanical systems upgrade. This appropriation may be supplemented with local money.

The community college board, in consultation with the technical college board, shall reexamine the proposed location of the learning resources center to determine a cost-effective strategy to locate the center on a site more readily accessible to both campuses. Prior to construction, the boards shall report their recommendations to the chairs of the house appropriations and senate finance committees.

Sec. 4. STATE UNIVERSITY SYSTEM

Subdivision 1. To the state university board for the purposes specified in this section. 12,870,000

During the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board

has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The state university board shall supervise and control the making of necessary repairs to all state university buildings and structures.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,500,000

This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and roof repair and replacement throughout the state university system.

(b) Mankato State, Utility Tunnel 1,750,000

This appropriation is for upgrade and extension of the campus utility system tunnel, replacement of steam system piping, electrical upgrade, and asbestos abatement.

(c) Mankato State, Nelson Hall 670,000

This appropriation is for emergency construction to repair fire damage.

(d) Moorhead State, Heating Plant 4,090,000

This appropriation is for rehabilitation and capacity expansion of the university heating plant.

Subd. 3. Bemidji State 100,000

This appropriation is for schematic plans to remodel the library and construct an addition.

Subd. 4. Metro State University 140,000

This appropriation is for schematic plans to remodel buildings A and C.

Subd. 5. St. Cloud State 290,000

This appropriation is for schematic plans to construct a new library.

Subd. 6. Winona State 870,000

This appropriation is for working drawings for a new library and for remodeling the existing library for office and classroom use.

Subd. 7. Library Services

It is the intention of the legislature that the regional services provided by university libraries be recognized. The state university board and the board of regents cooperatively shall study the patterns of library usage by users not affiliated with the systems. The boards also shall analyze how they could equitably recover costs of library usage by these users and estimate potential revenues. The boards shall use this information to recommend an equitable formula for their systems' share of debt service on library facilities. The boards shall report their recommendations to the appropriations and finance committees by July 1, 1993.

Subd. 8. Systemwide Land Acquisition 460,000

This appropriation is to continue to acquire needed land adjacent to or in the vicinity of Metropolitan State, Moorhead State, and St. Cloud State campuses. The state university board may acquire land at St. Cloud State University for improvement of a recreation area.

Sec. 5. UNIVERSITY OF MINNESOTA 61,900,000

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. Repair and Betterment 9,200,000

This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, water pipe repair, and improved handicap access throughout the university system.

Subd. 3. Twin Cities Campus 52,700,000

This appropriation is for construction of

the Basic Sciences and Biomedical Engineering Building.

The university must match this appropriation with a minimum of $10,000,000 of federal or other nonstate money.

The legislature requests the board of regents to expend federal and other nonstate money prior to expenditure of this appropriation.

Tuition revenue must not be used to meet the University's annual share of debt service for this project.

Sec. 6. POST-SECONDARY SYSTEMS

Each post-secondary governing board shall report on its petroleum tank release cleanup account reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release cleanup account reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

Sec. 7. K-12 EDUCATION

Subdivision 1. To the commissioner of administration or the commissioner of education for the purposes specified in this section 25,836,000

Subd. 2. Minnesota Library for the Blind and Physically Handicapped 1,325,000

To the commissioner of administration to construct and equip an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

Subd. 3. Hoffman Center 400,000

To the commissioner of administration for construction of an educational facility at Hoffman Center in St. Peter. The facility must be constructed to meet the educational needs of court-placed adolescent sex offenders for whom independent school district No. 508, St. Peter, has the responsibility of providing educational

services. The commissioner of administration and the school district must establish a contract that provides for the operation and maintenance of the facility and that specifies that the state will retain ownership of the facility. The contract must also provide that the district will make the debt service payments on the bonds issued to construct the facility and that independent school district No. 508, St. Peter, will add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the state bond fund. If, for any reason, the receipt of payments from resident districts is not sufficient to make the required debt service payments, the commissioner of education shall reduce appropriations for special education aid and transfer the required amount to the state bond fund.

Subd. 4. Grant County School Districts 100,000

This is to the commissioner of education for a grant and administrative expenses to facilitate planning for cooperation and combination, including facility needs, for a group of school districts in Grant county. This appropriation is from the general fund.

Subd. 5. Cooperative Facilities Grants 5,881,000

This appropriation is for a grant under Minnesota Statutes, sections 124.492 to 124.496, the cooperative secondary facilities grant act, to a group of school districts consisting of independent school districts No. 240, Blue Earth, No. 225, Winnebago, No. 219, Elmore, and No. 218, Delavan.

Subd. 6. Maximum Effort School Loans 12,130,000

To the commissioner of education from the maximum effort school loan fund to make debt service loans and capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budgets of the projects and may reduce the amount of a loan to

ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

$10,000,000 is approved for a capital loan to independent school district No. 38, Red Lake public schools for construction of a new elementary school and remodeling of the present elementary school into a middle school facility.

$2,130,000 is approved for a capital loan to independent school district No. 139, Rush City public schools for construction of a new high school.

Subd. 7. Independent School District No. 15, St. Francis

(a) To provide funds for the construction of a facility to meet the educational needs of court-placed adolescents for whom independent school district No. 15, has the responsibility of providing services, independent school district No. 15 may, by two thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this subdivision for calendar years 1992 and 1993 may not exceed $4,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this subdivision, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Anoka. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If such a petition is filed, no bonds shall be issued under this subdivision unless authorized by a majority of the electors

voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this subdivision is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law.

(b) Independent school district No. 15 shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under paragraph (c).

(c) To pay the principal of and interest on bonds issued under paragraph (a), independent school district No. 15 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under paragraph (b). The tax authorized under this subdivision is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Subd. 8. School District

Construction Grant 2,000,000

To the commissioner of education to make a grant for construction of a secondary facility for independent school districts No. 145, Glyndon-Felton, and No. 147, Dilworth. The grant may not be awarded until each district has passed a referendum under Minnesota Statutes, section 122.23 or 122.243 and the project has received a positive review and

comment under Minnesota Statutes, section 121.15.

Subd. 9. Capital Improvement

Desegregation Grants 4,000,000

To the commissioner of education for grants under Minnesota Statutes, sections 124C.55 to 124C.57.

Sec. 8. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for purposes specified in this section 24,105,000

Subd. 2. St. Peter
Regional Treatment Center 8,100,000

To program, design, equip, and construct a 50-bed addition on the Minnesota Security Hospital to accommodate psychopathic personality commitments.

Subd. 3. Brainerd

Regional Treatment Center 210,000

(a) To rehabilitate and improve the regional laundry facility at Brainerd regional treatment center.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from laundry service fees charged and collected by the commissioner of human services under Minnesota Statutes, section 246.57. Laundry service fees established by the commissioner must include appropriate charges for this debt service, which must be paid to the commissioner of finance as required by section 32.

Subd. 4. For the construction of a 34-bed nursing facility annex and ten-bed infirmary at the Rice County District Hospital location. 2,145,000

Subd. 5. For the installation of air conditioning in Oakview building at Cambridge Regional Human Services Center. 250,000

Subd. 6. Mental Health Units 13,400,000

To reconstruct or remodel mental health units at a regional treatment center or centers, to be selected by the commissioner of human services.

Sec. 9. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes listed in this section. 15,382,000

Subd. 2. Minnesota Correctional Facility - Faribault 4,300,000

To renovate two living units for an additional 160 inmates.

Bonds are not authorized and may not be issued for this project until the project in section 8, subdivision 4, has been approved and contracts have been awarded to carry it out.

Subd. 3. Minnesota Correctional Facility - Shakopee 10,900,000

To plan, design, and construct living units and program space for an additional 100 inmates and a ten-bed mental health unit addition to Higbee Hall.

Subd. 4. Minnesota Correctional Facility - Lino Lakes

To infill the area between buildings G and F1 at the Minnesota correctional facility - Lino Lakes 182,000

Money appropriated by Laws 1990, chapter 610, article 1, section 11, subdivision 3, items (a) and (b), that is not needed to expand the "Q" building or construct two medium security cottages at the Minnesota correctional facility - Lino Lakes, approximately $182,000, is canceled.

Sec. 10. JOBS AND TRAINING 2,000,000

To the commissioner of jobs and training for grants to agencies and political subdivisions of the state for construction or rehabilitation of facilities for Head Start or other early intervention education programs. The facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state to the extent that this is not inconsistent with need for the facilities. No grant for

any individual facility shall exceed $200,000.

At least 25 percent of the total appropriation under this section must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment and training programs.

Sec. 11. HOUSING FINANCE AGENCY 3,000,000

(a) $2,000,000 of this appropriation is to the Minnesota housing finance agency's local government unit housing account established in Minnesota Statutes, section 462A.202, for loans with or without interest to a city to purchase or acquire land and buildings for purposes of the neighborhood land trust program under Minnesota Statutes, sections 462A.30 and 462A.31, upon terms and conditions the agency determines.

(b) $1,000,000 is to the commissioner of the housing finance agency for grants to agencies and political subdivisions of the state for construction or rehabilitation of shelters for battered women or other facilities serving crime victims. The shelters or facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the shelters or facilities. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state, to the extent that this is not inconsistent with need for the facilities. No grant for any individual facility shall exceed $200,000.

(c) At least 25 percent of the total appropriation under paragraph (b) must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment

and training programs. Eligible employment and training programs must demonstrate the ability and experience to operate a construction training program and consult with appropriate labor organizations to deliver education and training. Facilities for battered women include, but are not limited to, shelters and transitional housing.

Sec. 12. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section 26,396,000

Subd. 2. Capital Asset Preservation and Repair 6,500,000

For critically needed repair of buildings, health and life safety code compliance, and preservation of capital assets throughout the state in accordance with Minnesota Statutes, section 16A.632. The commissioner shall give all state agencies, other than higher education systems, an opportunity to apply for funding of urgently needed projects. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 3. Centennial Parking Ramp Repair 1,200,000

To complete the structural repair of the upper three floors of the centennial ramp, to be redesignated Central Park. The debt service cost on bonds sold to finance this repair shall be paid from parking fee revenue. Parking fees established by the commissioner, pursuant to Minnesota Statutes, section 16B.58, shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance as required by section 32.

Subd. 4. Judicial Center - Phase II 6,000,000

To renovate the old Historical Society Building to meet the program needs of the new Judicial Center.

Subd. 5. For partial renovation of the Transportation Building. The balances of $6,392,000 from the following trunk highway fund appropriations: Laws 1981, chapter 361, section 2, clause (h); Laws 1983, chapter 344, section 2,

clause (1); Laws 1984, chapter 597, section 3, subdivision 3, clauses (a) and (b); and Laws 1987, chapter 400, section 3, subdivision 1, clause (h), are transferred to be used for the first phase of this building renovation project. Renovation shall address current life safety and environmental deficiencies, electrical power distribution, and lighting.

Subd. 6. Plan to Locate State Agencies 420,000

This appropriation is from the general fund to complete a strategic long-range plan for state agency office space in the metropolitan area.

Subd. 7. Agency Relocation 1,633,000

$869,000 is from the general fund for relocation costs. $764,000 is from the trunk highway fund for the partial relocation of the Department of Transportation.

Subd. 8. Sewer Separation 5,900,000

To separate the sanitary and storm sewers in the capitol area under state jurisdiction in conjunction with the combined sewer overflow program established by the 1985 legislature.

Subd. 9. For land acquisition in the capitol area. 800,000

Subd. 10. Capitol building 1,643,000

To provide a state-of-the-art fire management system for the capitol building and to plan for roof replacement, long-term testing and monitoring of the building's exterior, and restoration of the Quadriga.

Subd. 11. Lake Superior Center Authority 2,000,000

This appropriation is to the commissioner of administration for a grant to the Lake Superior Center authority for the costs of design and engineering of exhibition space and exhibits, offices, meeting rooms, and other capital facilities for the Lake Superior Center Authority. $500,000 of the appropriation is available immediately. $1,500,000 is contingent upon the authority obtaining at least $1,500,000 in additional funding from nonstate sources to establish a construction escrow. Future appropriations from

the bond proceeds fund for acquisition, construction, and other costs are contingent upon the authority obtaining matching funds from nonstate sources.

The authority shall report to the house appropriations and senate finance committees and their environmental and natural resources divisions by January 15 each year on the status of the project and the status as to meeting the contingencies.

Subd. 12. Lake Superior Zoological Gardens 300,000

To the commissioner of administration for a grant to the Lake Superior Zoological garden for construction cost of the Przewalski Horse/zebra and animal interaction projects.

Sec. 13. MILITARY AFFAIRS 2,400,000

To the adjutant general to construct an educational facility at Camp Ripley, to be known as the Minnesota national guard education center.

Sec. 14. TRADE AND ECONOMIC DEVELOPMENT 4,550,000

$2,250,000 of this appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

$1,900,000 of this appropriation is for the city of Roseville to construct the John Rose Memorial Oval Speedskating/Bandy Multi-Use Facility in consultation with the amateur sports commission, contingent on the receipt of at least $1,000,000 in matching funds from other sources, not including in-kind

contributions.

$400,000 of this appropriation is to the national sports center for purchase and development of land for additional soccer fields.

None of the proceeds from the sale of bonds authorized by this appropriation may be used to reimburse a development agency of a city of the first class for land acquisition or development costs incurred prior to 1988.

Sec. 15. PUBLIC FACILITIES AUTHORITY 7,500,000

To the public facilities authority for the state match to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07.

Sec. 16. AMATEUR SPORTS COMMISSION

$2,500,000 allocated in Laws 1990, chapter 610, article 1, section 25, for a grant to the city of Bloomington for construction of the Holmenkollen ski jump is canceled as of July 1, 1993, if matching funds have not been obtained.

Sec. 17. SCIENCE MUSEUM OF MINNESOTA 200,000

This appropriation is to the Science Museum of Minnesota for planning and working drawings for capital remodeling and additions. This appropriation is from the general fund.

The planning and working drawings shall include the use of the site in the city of St. Paul on which the Public Health Building is currently located.

Sec. 18. NATURAL RESOURCES

Subdivision 1. To the commissioner of the department of natural resources for the purposes specified in this section. 11,682,000

Subd. 2. Dam Repair and Replacement 1,570,000

For the emergency repair or removal of publicly owned dams under Minnesota Statutes, section 103G.511.

Money for removal of a dam is only available after the state has acquired title to the dam structure. The commissioner shall negotiate with the owners to obtain title to the structure at no cost to the state, and shall remove it immediately after

obtaining title. The state is not liable for events occurring at dam sites before the state gets title.

Subd. 3. Flood hazard mitigation 500,000

This appropriation is for flood hazard mitigation grants for capital projects under Minnesota Statutes, section 103F.161.

$200,000 is for the Jack Creek project.

$300,000 is for the Good Lake project.

Subd. 4. Field offices consolidation 1,731,000

This appropriation is for capital acquisition, construction, and renovations of field offices, including the Two Harbors field office.

Subd. 5. Parks 2,751,000

This appropriation is for development of state parks according to the management plans required in Minnesota Statutes, chapter 86A.

Subd. 6. Trails 1,000,000

This appropriation is for betterment of state trails in accordance with the department's priorities and including the Willmar-New London Trail.

Subd. 7. State Fish Hatchery Improvement 1,250,000

Subd. 8. Scientific and Natural Area Acquisition 100,000

This appropriation is for the acquisition of lands as Scientific and Natural Areas (SNA). As a first priority, lands containing great lakes white pine communities in Anoka or Washington county must be pursued for acquisition in accordance with the SNA Long Range Plan.

Subd. 9. Underground Fuel Tank Replacement 295,000

To remove or replace underground fuel storage tanks on department property.

Subd. 10. State Park Acquisition 600,000

Subd. 11. State Forest Acquisition 385,000

To acquire state forest lands in the Richard J. Dorer Hardwood Forest that are priority instant units.

Subd. 12. Well Sealing 250,000

To seal abandoned wells on property owned by the department.

Subd. 13. Critical Habitat Acquisition 1,250,000

For transfer to the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 14. Work Program

The commissioner of natural resources must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 19. BOARD OF WATER AND SOIL RESOURCES 1,250,000

To the board of water and soil resources for the reinvest in Minnesota conservation reserve program under Minnesota Statutes, section 103F.515.

Sec. 20. AGRICULTURE 365,000

(a) To the commissioner of administration for the construction of a new East Grand Forks potato inspection facility to consolidate and replace inadequate facilities in Crookston and East Grand Forks.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from potato inspection fees charged and collected by the commissioner of agriculture pursuant to Minnesota Statutes, sections 21.115 and 27.07. Inspection fees established by the commissioner of agriculture shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance as required by section 32.

Sec. 21. POLLUTION CONTROL AGENCY 13,050,000

To the commissioner of the pollution control agency for the state share of combined sewer overflow grants under Minnesota Statutes, section 116.162 for projects begun during fiscal years 1992 or 1993.

The city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Sec. 22. OFFICE OF WASTE MANAGEMENT 2,000,000

To the director of the office of waste management for capital assistance program grants under Minnesota Statutes, section 115A.54.

Sec. 23. MINNESOTA ZOOLOGICAL GARDEN 1,820,000

For roof replacement and the replacement of skylights in the tropics exhibit building.

One-third of the debt service cost on bonds sold to finance this appropriation must be paid from the dedicated receipts of the zoological garden, which shall be paid to the commissioner of finance as required by section 32.

Sec. 24. HISTORICAL SOCIETY 2,375,000

Subdivision 1. To the Minnesota historical society for the purposes specified in this section.

Subd. 2. State History Center 1,400,000

To match approximately $4,500,000 in nonstate funds for the development and construction of major permanent exhibits in the new State History Center.

Subd. 3. Fort Snelling 375,000

For emergency life safety repairs and critical code compliance at historic Fort Snelling, including retaining walls and public areas.

Subd. 4. St. Anthony Falls 500,000

This appropriation is for grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls interpretive plan for preservation. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 5. Battle Point Historic Site

The appropriation for this project in

Laws 1990, chapter 610, article 1, section 17, is transferred to the Minnesota Historical Society.

Subd. 6. Prairieland Expo Center 100,000

To the Minnesota Historical Society for schematic drawings for the Southwest Regional Development Commission's proposed Prairieland Expo facility.

Sec. 25. TRANSPORTATION 28,849,000

Subdivision 1. To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Trunk Highway Facility Projects 9,349,000

To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.

(a) construct additions to welding shops at Rochester, Owatonna, Windom, Morris, Virginia, and Mankato 1,104,000

(b) replace or add to chemical storage sheds at 27 locations statewide 560,000

(c) construct a new equipment storage building at Montevideo 430,000

(d) construct an addition for a resident office for the truck station and construct an addition for storage of large pieces of snow and ice removal equipment, both at Winona 450,000

(e) construct an equipment storage addition and remodel building to upgrade crew room and sanitary facilities to meet code, in Motley 300,000

(f) construct building for road maintenance equipment and bridge maintenance crew, and construct a matching chemical/cold storage structure, both at Spring Lake Park 1,950,000

(g) Owatonna radio and bridge shops addition 270,000

(h) Roseau truck station replacement 520,000

(i) Le Sueur truck station replacement 500,000

(j) MN road research project building at Monticello/Albertville 198,000

(k) design fees to complete construction documents for projects at Bemidji,

Spring Lake Park, St. Cloud, Maplewood, Eden Prairie, and Thief River Falls	338,000
(l) land acquisition for new replacement truck station sites at Tracy, Effie, Glencoe, and Hutchinson	125,000
(m) plan for a facilities study to determine what space and additions should be made to headquarters building in Rochester	12,000
(n) construct pole type storage buildings at 14 truck stations, headquarters sites, and storage yards statewide	300,000
(o) removal of asbestos from department of transportation facilities statewide	230,000
(p) construct a metropolitan area recycling center to include buildings to store and recycle MN DOT generated hazardous and nonhazardous waste	530,000
(q) interior remodeling to convert design office space into office space for construction at Oakdale and Golden Valley headquarters buildings	75,000
(r) construct Luverne truck station addition	225,000
(s) construct truck station addition and remodel existing building to provide new crew room and sanitary facilities, both at Worthington	250,000
(t) construct an addition to garage/shop areas at the Virginia headquarters building	325,000
(u) construct Fergus Falls truck station addition	225,000
(v) construct Olivia truck station addition	140,000
(w) construct St. Charles truck station addition	160,000
(x) construct Nopeming truck station addition	132,000
Subd. 3. Saint Paul Airport Hangar	2,000,000
This appropriation is from the state airport fund.	
To construct a state hangar facility at the Saint Paul downtown airport to house state-owned aircraft, facility office space, and a passenger waiting area.	
Subd. 4. Local Road and Bridge Replacement and Rehabilitation	17,500,000
To the commissioner of transportation for	

the purposes specified in this subdivision. The appropriations in this subdivision are from the state transportation fund.

(a) Bloomington Ferry Bridge 10,000,000

This appropriation is to match federal funds to complete the Bloomington ferry bridge.

(b) Other Bridges on Local Road Systems 5,000,000

The commissioner shall spend this sum as grants to political subdivisions for the construction and reconstruction of key bridges on the state transportation system. This appropriation is available until spent.

Grants shall be allocated as follows:

(1) to counties, 2,680,000

(2) to cities, 1,085,000

(3) to towns, 1,235,000

(c) Political subdivisions may use grants made under this section for purposes of construction and reconstruction of bridges, including:

(1) matching federal-aid grants for the construction or reconstruction of key bridges;

(2) paying the costs of abandoning an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

(d) Mankato Route Improvements 2,500,000

This appropriation is to match federal funds.

Sec. 26. BOND SALE EXPENSES 260,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 27. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1993, no more than $412,000,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] *To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $231,695,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.*

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] *To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $12,130,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.*

Subd. 3. [TRANSPORTATION FUND.] *To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $17,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.*

Sec. 29. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

124.479 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of $45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.~~

Sec. 30. [PLANNING.]

During the biennium, in its planning for new program offerings at a particular campus, each public post-secondary education governing board shall consider the availability of physical space and the adequacy of facilities at that campus. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different campus within its system or in cooperation with other systems.

Sec. 31. [DEBT SERVICE SHARE.]

(a) Each post-secondary governing board shall pay one-third of the debt service on state bonds sold to finance appropriations to that board for projects in this act, except for repair and betterment projects under subdivision 2 of sections 2 to 5. After each sale of general obligation bonds, the commissioner of finance shall notify the state board of technical colleges, the state board for community colleges, the state university board, and the regents of the University of Minnesota of the amounts for which each system is assessed for each year for the life of the bonds.

(b) The commissioner shall reduce each system's assessment each year under paragraph (a) by one-third of the net income from investment of general obligation bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise payable to the system and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the bond debt service account in the state bond fund each December 1 before money

is transferred from the general fund under section 16A.641, subdivision 10.

Sec. 32. [16A.643] [ASSESSMENTS IF AGENCY MUST PAY DEBT SERVICE.]

Subdivision 1. [WHEN PAYMENT REQUIRED.] *The commissioner of finance shall assess each board, agency, or other public entity, other than the higher education systems described in section 31, for the amount that would otherwise need to be paid for debt service with respect to general obligation bonds sold to finance capital improvement projects for the entity if the law authorizing the project requires debt service for the project to be paid by the agency.*

Subd. 2. [METHOD OF PAYMENT.] *After each sale of state general obligation bonds, the commissioner of finance shall notify the entity of the amounts for which the entity is responsible under subdivision 1 for each year for the life of the bonds. Each entity shall pay its assessment of debt service payments to the commissioner of finance by December 1 each year. If an entity fails to make an assessment payment when due, the commissioner of finance shall reduce allotments for appropriations from the appropriate accounts to be used by the entity to pay the assessment payment and apply the amount of the reduction to cover the missed payment. The commissioner of finance shall credit the payments received from the entities, or the amount of the reduction made, to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under section 16A.641, subdivision 10.*

Sec. 33. Minnesota Statutes 1990, section 16B.24, subdivision 2, is amended to read:

Subd. 2. [REPAIRS.] The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except*:*

(1) structures, other than buildings, under the control of the state transportation department; ~~provided that~~ *and*

(2) buildings and structures under the control of the state university board or the state board for community colleges.

All repairs to the public and ceremonial areas and the exterior of the state capitol building shall be carried out subject to the standards and policies of the capitol area architectural and planning board and the commissioner of administration adopted pursuant to section 15.50, subdivision 2, clause (h).

Sec. 34. Minnesota Statutes 1990, section 16B.30, is amended to read:

16B.30 [GENERAL AUTHORITY.]

Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures, *other than buildings and structures under the control of the state university board.*

Sec. 35. Minnesota Statutes 1990, section 16B.31, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures,

and other improvements except highways and bridges, *and except for buildings and structures under the control of the state university board*; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

Sec. 36. [136.261] [STATE UNIVERSITY SITES; ACQUISITION.]

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY.] *The state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition.*

Subd. 2. [METHODS OF ACQUISITION.] *If money has been appropriated to the state university board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.*

Subd. 3. [RELOCATION COSTS.] *The state university board may pay relocation costs, at its discretion, when acquiring property.*

Sec. 37. Minnesota Statutes 1990, section 136C.05, subdivision 5, is amended to read:

Subd. 5. [USE OF PROPERTY.] (a) A school board must not sell, lease, or assign technical college property for purposes other than technical college activities without the approval of the chancellor. ~~A school board need not obtain approval for uses that are incidental.~~

(b) Notwithstanding section 123.36, subdivision 13, proceeds from the sale, exchange, lease, or assignment of technical college land or buildings shall be used to repay any remaining debt service on the land or buildings. Subject to the approval of the chancellor, any remaining proceeds shall be placed in the post-secondary capital expenditure, repair and replacement, or construction fund.

(c) The proceeds of any arbitration or litigation resulting from claims involving technical college property shall be placed in the technical college repair and replacement fund.

Sec. 38. [REPEALER.]

Minnesota Statutes 1990, section 136.03, subdivision 2, is repealed.

Sec. 39. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; appropriating money, with

certain conditions; amending Minnesota Statutes 1990, sections 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; and 136C.05, subdivision 5; Minnesota Statutes 1991 Supplement, sections 124.479; proposing coding for new law in Minnesota Statutes, chapters 16A; and 136; repealing Minnesota Statutes 1990, sections 136.03, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wayne Simoneau, Henry J. Kalis, Lyndon R. Carlson, Becky Kelso, Bob Anderson

Senate Conferees: (Signed) Gene Merriam, Jim Vickerman, Dean E. Johnson, LeRoy A. Stumpf, Steven Morse

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1903 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 1903. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1903 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Hughes	Knaak	Mehrkens	Renneke

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2732: A bill for an act relating to public health; providing for

the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding for new law in Minnesota Statutes, chapters 150A; and 214.

Senate File No. 2732 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Ms. Piper moved that the Senate concur in the amendments by the House to S.F. No. 2732 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2732 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Larson	Neuville	Samuelson	Spear
Chmielewski	Mondale	Pappas		

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2280, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2280 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2280

A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2280, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2280 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law,~~ Marginal land and wetlands are withdrawn from sale ~~by the state~~ *or exchange* unless ~~use of the marginal land or wetland is restricted by a conservation easement as provided in this section~~*:*

(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the board of water and soil resources, is provided to prospective purchasers; and

(2) the deed contains a restrictive covenant, in a form prescribed by the board of water and soil resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property

owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 2. [SALE OF TAX-FORFEITED LAND; BIWABIK.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey the tax-forfeited land described in paragraph (c) to the city of Biwabik. The land is located in the city of Biwabik in St. Louis county.

(b) The land described in paragraph (c) may be conveyed by quitclaim deed in a form approved by the attorney general. The consideration for the conveyance must be the appraised value of the land plus the cost of appraisal.

(c) The land that may be conveyed is the land described as follows, except for any state highway right-of-way:

the NW 1/4 of the SW 1/4 of section 1;

the NE 1/4 of the SE 1/4 of section 2; and

the SW 1/4 of the SE 1/4 of section 2,

all in Township 58 North of Range 16 West.

Sec. 3. [SALE OF TAX-FORFEITED LANDS; LEECH LAKE BAND OF CHIPPEWA INDIANS.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be conveyed by private sale to the Leech Lake Band of Chippewa Indians for not less than the appraised value. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Hubbard county and is described as: the south half of the northwest quarter of the southeast quarter, Section 13, Township 145 North, Range 32 West of the Fifth Principal Meridian, Hubbard county, Minnesota, containing 20 acres, more or less.

(d) The land is contiguous to the Leech Lake landfill and there has been some inadvertent encroachment of the landfill onto the land. The land is needed to provide cover materials for closing the landfill.

Sec. 4. [SALE OF TAX-FORFEITED LAND IN ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may convey by private sale the tax-forfeited land bordering public waters described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to the owners of units in Pokegama Commons condominium in Itasca county, or their assigns. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is described as:

The COMMON ELEMENTS as shown on CONDOMINIUM NO. 4 POKEGAMA COMMONS, A CONDOMINIUM, according to the recorded condominium thereof, Itasca County, Minnesota being that part of the Northwest Quarter of the Northeast Quarter of Section 26, Township 54, Range 26, Itasca County, Minnesota, lying North of County Road Number 17, and that part of Government Lot 5, Section 23, Township 54, Range 26, Itasca County, Minnesota, lying South of the South line of THE PLAT OF SHERRY'S ARM, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota, as now monumented and laid out, excepting therefrom the following described tracts.

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet to the point of beginning of the land to be described; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East, a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East, a distance of 268.53 feet; thence Northerly, a distance of 47.64 feet, along a nontangential curve concave to the Northwest, having a radius of 315.84 feet and a central angle of 8 degrees 38 minutes 34 seconds, the chord of said curve bearing North 16 degrees 50 minutes 55 seconds East; thence North 12 degrees 31 minutes 37 seconds East, tangent to the last described curve, a distance of 498.59 feet; thence North 77 degrees 28 minutes 23 seconds West, a distance of 255.00 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 266.96 feet; thence West to the West line of said Government Lot 5; thence southerly along said West line of Government Lot 5 to the point of beginning.

AND

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East a distance of 323.25 feet to the point of beginning of the land to be described; thence continuing South 42 degrees 55 minutes 19 seconds East a distance of 220.00 feet; thence North 47 degrees 04 minutes 19 seconds East, a distance of 190.00 feet; thence North 42 degrees 55 minutes 19 seconds West a distance of 340.49 feet; thence South 12 degrees 31 minutes 37 seconds West a

distance of 146.33 feet; thence Southerly a distance of 79.11 feet along a tangential curve concave to the Northwest, having a radius of 365.84 feet and a central angle of 12 degrees 23 minutes 24 seconds to the point of beginning.

AND EXCEPT

Condominium Units 1 through 16 inclusive said CONDOMINIUM NO. 4, POKEGAMA COMMONS A CONDOMINIUM.

(d) The land is common area for the Pokegama Commons condominium development on Pokegama Lake in Itasca county. To make the condominium units usable and return the property to the tax rolls, the common area and the units must be brought back into common ownership.

Sec. 5. [PRIVATE SALE OF STATE-OWNED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding other law to the contrary, St. Louis county, on behalf of the state, shall convey by private sale the state-owned land described in paragraph (c).

(b) The land described in paragraph (c) shall be sold by private sale to Mr. Edward William Jenkins of St. Louis county, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration of its fair market value. The attorney general shall provide an accurate legal description of the property conveyed.

(c) The land to be conveyed is located in St. Louis county, consists of about five acres, and is generally described as: five acres bordering land owned by Edward William Jenkins in the Northeast Quarter of the Southwest Quarter of Section 7, Township 63 North, Range 20 West of the Fourth Principal Meridian, all in St. Louis county.

Sec. 6. [PRIVATE SALE OF TAX-FORFEITED LAND; SCARLETT.]

(a) Notwithstanding Minnesota Statutes, section 282.018, the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to Raymond Scarlett of 2015 Woodland Avenue, Duluth, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration equal to the aggregate of delinquent taxes and assessments computed under Minnesota Statutes, section 282.251, together with any penalties, interest, and costs that accrued or would have accrued if the property had not forfeited to the state.

(c) The land that may be conveyed is located in St. Louis county, is designated as tax parcel 10-1830-330, and consists of Lot 7, Block 19, Glen Avon First Division, in the city of Duluth, Minnesota.

(d) Mr. Scarlett, by mistake, failed to pay the taxes. The county has determined that the property would be put to better use if returned to the former owner.

Sec. 7. [SALE OF TAX-FORFEITED LAND IN CHISAGO COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Chisago county may sell the tax-forfeited land bordering public water

described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be sold is located in the city of Lindstrom, Chisago county, and described as Lot 3, Sundbergs Beach.

(d) The county has determined that the county's land management interests would best be served if the land were sold as provided under this section.

Sec. 8. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell and convey to Tom Schlotec by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration equal to the fair market value of the property.

(c) The property to be sold consists of approximately 100 acres, and is described as:

(1) the SE 1/4 of the SW 1/4 and the SW 1/4 of the SE 1/4 of section 2;

(2) the N 1/2 of the N 1/2 of the NE 1/4 of the NW 1/4 of section 11; and

(3) the N 1/2 of the N 1/2 of the NW 1/4 of the NE 1/4 of section 11;

all located in township 52 N of range 17 W in St. Louis county.

(d) The county finds that the property is suitable for use as an industrial demolition landfill and recycling center and that the property would be put to better use if returned to private ownership.

Sec. 9. [RELEASE AND ALTERATION OF CONSERVATION EASEMENTS.]

Conservation easements existing under Minnesota Statutes, section 103F.535, as of the effective date of this act may be altered, released, or terminated by the board of water and soil resources after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

Sec. 10. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the private sale of tax-forfeited lands in St. Louis, Hubbard, Itasca, and Chisago counties; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tom Rukavina, Bob Johnson, Ben Boo

Senate Conferees: (Signed) Ronald R. Dicklich, Douglas J. Johnson, Jim Gustafson

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2280 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2280 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

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

Skoglund, Kinkel and Abrams.

Senate File No. 1959 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

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

S.F. No. 2137: A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

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

Greenfield, Clark and Gutknecht.

Senate File No. 2137 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2336, 2463, 1917, 1648, 2746, 2781, 735 and 2750.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2884, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2884 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2884

A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BOND ALLOCATION

Section 1. 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. 2. 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. 3. 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. 4. 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. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project *is a multifamily project that* meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. 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. 7. 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. 8. 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. 9. 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. 10. [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. If a common pool is established as provided under section 11, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.*

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. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] *Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, 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 June 30, 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. The commissioner of finance shall set aside $30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.*

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, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), 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. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2

HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 462A.03, subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally retarded, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of human services, or to provide dwelling accommodations *or manufactured home parks* for persons and families of low and moderate income and for other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 2. Minnesota Statutes 1990, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) $9,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. *Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary*

to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need not be repaid by the borrower if the property for which the loan is made has not been sold, transferred, or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 3. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 20a, is amended to read:

Subd. 20a. [SPECIAL NEEDS HOUSING FOR CHEMICALLY DEPENDENT ADULTS.] (a) The agency may make loans or grants to for-profit, limited-dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide ~~temporary or transitional~~ housing to low- and moderate-income persons ~~and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency~~ *who are chronic chemically dependent adults.*

(b) ~~Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision.~~ Housing for chronic chemically dependent adults must satisfy the following conditions:

(1) be certified by the department of health or the city as a board and lodging facility or single residence occupancy housing;

(2) meet all applicable health, building, fire safety, and zoning requirements;

(3) be located in an area significantly distant from the present location of county detoxification service sites;

(4) make available the services of trained personnel to appraise each client before or upon admission and to provide information about medical, job training, and chemical dependency services as necessary;

(5) provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents; and

(6) operate with the guidance of a neighborhood-based board.

Priority for loans and grants made under this paragraph must be given to proposals that address the needs of the Native American population and veterans of military services for this type of housing.

(c) Loans or grants pursuant to this subdivision must not be used for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the loan or grant will be repaid and the appropriate security should repayment be required.

Sec. 4. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 36, is amended to read:

Subd. 36. [LEASE-PURCHASE HOUSING.] The agency may make grants or loans to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to finance the acquisition, improvement, rehabilitation, and lease-purchase of existing housing for persons of low and moderate income. A person or family is eligible to participate in a lease-purchase agreement if the person's or family's income does not exceed 60 percent of the greater of (1) state median income, or (2) area or county median income. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing. A property containing two or fewer dwelling units is eligible for financing under the lease-purchase housing program. A loan made under this subdivision must be repaid to the agency upon sale of the housing. ~~The agency may only make grants or loans under this subdivision from funds specifically appropriated by the legislature for that purpose.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 37, is amended to read:

Subd. 37. [BLIGHTED RESIDENTIAL PROPERTY ACQUISITION AND REHABILITATION; NEIGHBORHOOD LAND TRUST.] The agency may make grants to cities for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted residential property or construction of new housing on the property. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development. Cities may use the grants to establish revolving loan funds and provide loans and grants to eligible mortgagors for the acquisition, demolition, redevelopment, and rehabilitation of blighted residential property located in a neighborhood designated by the city for neighborhood preservation. The city may determine the terms and conditions of the loans and grants. ~~The agency may make grants or loans to nonprofit organizations for the purpose of organizing or funding neighborhood land trust projects. The projects must assure the long-term affordability of neighborhood housing by maintaining ownership of the land through a neighborhood land trust.~~

Sec. 6. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 38. [NEIGHBORHOOD LAND TRUSTS.] *The agency may make loans with or without interest for the purpose of funding neighborhood land trusts under sections 462A.30 and 462A.31 from money other than state general obligation bond proceeds. To assure the long-term affordability of housing provided by the neighborhood land trust, the neighborhood land trust must own the land acquired in whole or in part with a loan from the agency under this section under terms and conditions determined by the agency. The agency may convert the loan to a grant under circumstances approved by the agency.*

Sec. 7. Minnesota Statutes 1990, section 462A.06, subdivision 11, is amended to read:

Subd. 11. It may make and publish rules pursuant to chapter 14 respecting its mortgage lending, construction lending, rehabilitation lending, grants,

and temporary lending, and any such other rules as are necessary to effectuate its corporate purpose, and may adopt emergency rules to implement demonstration programs *using bond proceeds* for the financing of residential housing.

Sec. 8. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 2, is amended to read:

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the agency may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

(1) the new housing is located in a redevelopment area;

(2) the new housing is replacing a structurally substandard structure or structures; ~~or~~

(3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing~~.~~*; or*

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Sec. 9. Minnesota Statutes 1990, section 462A.202, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT.] The local government unit housing account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency *for loans to cities* for the purposes specified in this section. *The agency must take steps to ensure distribution of the funds around the state.*

Sec. 10. Minnesota Statutes 1990, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans ~~or grants~~ *with or without interest* to ~~local government units~~ *cities* to finance the acquisition, improvement, and rehabilitation of existing housing properties *or the acquisition, site improvement, and development of new properties* for the purposes of providing transitional housing, upon terms and

conditions the agency determines. Preference must be given to ~~local government units~~ *cities* that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. ~~The local government unit may contract with a nonprofit or for-profit organization to manage the property and to operate a transitional housing program on the property on behalf of the local government unit. on terms and conditions approved by the agency. The local government unit shall retain ownership of the property for at least 20 years. After 20 years, the sale of a property before the expiration of its useful life must be at its fair market value, and the net proceeds of sale must be used for the same purpose or repaid to the agency for deposit in the local government unit housing account.~~ *Loans under this subdivision are subject to the restrictions in section 12.*

Sec. 11. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 6. [NEIGHBORHOOD LAND TRUSTS.] *The agency may make loans with or without interest to cities to finance the capital costs of a land trust project undertaken pursuant to sections 462A.30 and 462A.31. Loans under this subdivision are subject to the restrictions in section 12.*

Sec. 12. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 7. [RESTRICTIONS.] *(a) Except as provided in paragraphs (b), (c), and (d), the city must own the property financed with a loan under this section and use the property for the purposes specified in this section:*

(1) the city may sell the property at its fair market value provided it repays the lesser of the net proceeds of the sale or the amount of the loan balance to the agency for deposit in the local government unit housing account; or

(2) the city may use the property for a different purpose provided that the city repays the amount of the original loan.

If the city owns and uses the property for the purposes specified in this section for a 20-year period, the agency shall forgive the loan.

(b) In cases where the property consists of land only, including land on which buildings acquired with a loan under this section are demolished by the city, the city may lease the property for a term not to exceed 99 years to a nonprofit corporation to use for the purposes specified in this section.

(c) In cases where the property consists of land and buildings, the city may do the following:

(1) demolish the buildings in whole or in part and use or lease the property under paragraph (b);

(2) sell the buildings to a nonprofit corporation to use for the purposes specified in this section. If sold, the city must sell the buildings for fair market value and repay the proceeds of the sale to the agency for deposit in the local government unit housing account;

(3) lease the buildings to a nonprofit corporation to use for the purposes specified in this section. If leased, except as provided in paragraph (d), the annual rental must equal the amount of the loan attributable to the cost of the buildings, divided by the number of years of useful life of the buildings as determined in accordance with generally accepted accounting principles. For purposes of determining the required rental, the purchase price of land

and buildings must be allocated between them based on standard valuation procedures; or

(4) contract with a nonprofit organization to manage the property.

(d) A city may lease a building to a nonprofit organization for a nominal amount under the following conditions:

(1) the lease does not exceed ten years;

(2) the city must have the option to cancel the lease with or without cause at the end of any three-year period; and

(3) the city must determine annually that the property is being used for the purposes specified in this section and that the terms of the lease, including any income limits for residents, are being met.

Sec. 13. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 6, is amended to read:

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, ~~to be determined by rule adopted~~ *approved* by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Sec. 14. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 8, is amended to read:

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means *a city or* a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and *that* meets all other criteria for neighborhood land ~~trust~~ *trusts* set by the agency.

Sec. 15. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 9, is amended to read:

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" ~~has the meaning specified in section 462A.03, subdivision 10~~ *means persons or families whose income does not exceed 80 percent of the greater of (1) state median income, or (2) area or county median income as determined by the department of housing and urban development.*

Sec. 16. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 6. [CITY LAND TRUST.] *A city may by resolution determine to act as a neighborhood land trust with the powers and duties described in subdivisions 1 to 5.*

Sec. 17. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 7. [RECORDING OF GROUND LEASE.] *Any ground lease held by a neighborhood land trust shall include the legal description of the real property subject to the ground lease and shall be recorded with the county recorder or filed with the registrar of titles in the county in which the real property subject to the ground lease is located.*

Sec. 18. [EXEMPTION.]

Notwithstanding Minnesota Statutes, sections 462A.073, subdivision 2,

and 462C.071, subdivision 2, the Minnesota housing finance agency and a city may make loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area after the first one-third of an origination period if all of the other conditions specified under Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, are met. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6. This section expires June 30, 1992.

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 462A.202, subdivisions 3, 4, and 5; and Laws 1991, chapter 292, article 9, section 35, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment. Section 18 applies to bonds with an origination period that began on or after October 1, 1991.

ARTICLE 3

PUBLIC FINANCE

Section 1. 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 subdivision 2b.* 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 subdivision 2b* 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. 2. 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 A. M. Best, Inc.; 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. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. 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. 5. 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. 6. 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. 7. 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)* a general obligation of the Minnesota housing finance agency, or ~~(3)~~ *(4)* a general obligation of a housing finance

agency of any state if it includes a moral obligation of the state, or ~~(4)~~ *(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)* and ~~(3)~~ *(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)* 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 or 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. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development and housing; changing procedures for allocating bonding authority; modifying provisions of rehabilitation loans, lease-purchase housing, urban and rural homesteading, publicly owned transitional housing program, and neighborhood land trusts; modifying limitations on the use of bond proceeds; limiting the use of

emergency rules; defining acceptable securities for use by self-insurers for workers' compensation; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 462A.03, subdivision 7; 462A.05, subdivision 14a, and by adding a subdivision; 462A.06, subdivision 11; 462A.202, subdivisions 1, 2, and by adding subdivisions; and 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivisions 20a, 36, and 37; 462A.073, subdivisions 1 and 2; 462A.30, subdivisions 6, 8, and 9; 462A.31, by adding subdivisions; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3; repealing Minnesota Statutes 1990, sections 462A.057, subdivisions 2 to 10; 462A.202, subdivisions 3 to 5; Laws 1991, chapter 292, article 9, section 35."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, John J. Sarna, Jerry J. Bauerly

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ember D. Reichgott, LeRoy A. Stumpf

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2884 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Morse moved that the recommendations and Conference Committee Report on H.F. No. 2884 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion of Mr. Morse.

The roll was called, and there were yeas 39 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Merriam	Piper
Beckman	Finn	Knaak	Metzen	Price
Benson, D.D.	Frank	Kroening	Moe, R.D.	Samuelson
Berg	Frederickson, D.R.	Laidig	Mondale	Solon
Bernhagen	Hottinger	Lessard	Morse	Stumpf
Bertram	Hughes	Luther	Novak	Traub
Chmielewski	Johnson, D.E.	McGowan	Olson	Vickerman
Dahl	Johnson, J.B.	Mehrkens	Pariseau	

Those who voted in the negative were:

Belanger	Cohen	Flynn	Kelly	Ranum
Berglin	Davis	Halberg	Pappas	Terwilliger
Brataas	DeCramer	Johnson, D.J.	Pogemiller	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2147, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2147 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2147

A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; altering exit sign requirements in the state building and fire codes; amending Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 115A.9561, subdivision 2; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2147, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2147 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115A.932] [MERCURY PROHIBITION.]

Subdivision 1. [PROHIBITIONS.] *(a) A person may not place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:*

(1) in solid waste; or

(2) in a wastewater disposal system.

(b) A person may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in a solid waste processing facility; or

(2) in a solid waste disposal facility, as defined in section 115.01, subdivision 8.

Subd. 2. [ENFORCEMENT.] *(a) Except as provided in paragraph (b), a violation of subdivision 1 is subject to enforcement under sections 115.071 and 116.072.*

(b) A violation of subdivision 1 by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.

(c) An administrative penalty imposed under section 116.072 for a violation of subdivision 1 by a generator of household hazardous waste, as

defined in section 115A.96, may not exceed $700.

Sec. 2. Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2, is amended to read:

Subd. 2. [RECYCLING REQUIRED.] Major appliances must be recycled or reused. Each county shall ensure that its residents have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

(1) the removal of capacitors that may contain PCBs;

(2) the removal of ballasts that may contain PCBs;

(3) the removal of chlorofluorocarbon refrigerant gas; and

(4) the recycling or reuse of the metals, *including mercury*.

Sec. 3. [116.92] [MERCURY EMISSIONS REDUCTION.]

Subdivision 1. [SALES.] *A person may not sell mercury to another person in this state without providing a material safety data sheet, as defined in United States Code, title 42, section 11049, and requiring the purchaser to sign a statement that the purchaser:*

(1) will use the mercury only for a medical, dental, instructional, research, or manufacturing purpose; and

(2) understands the toxicity of mercury and will appropriately store and use it and will not place, or allow anyone under the purchaser's control to place, the mercury in the solid waste stream or in a wastewater disposal system, as defined in section 115.01, subdivision 8.

Subd. 2. [USE OF MERCURY.] *A person who uses mercury in any application may not place, or deliver the mercury to another person who places residues, particles, scrapings, or other materials that contain mercury in solid waste or wastewater, except for traces of materials that may inadvertently pass through a filtration system during a dental procedure.*

Subd. 3. [LABELING; PRODUCTS CONTAINING MERCURY.] *A manufacturer or wholesaler may not sell and a retailer may not knowingly sell any of the following items in this state that contain mercury unless the item is labeled in a manner to clearly inform a purchaser or consumer that mercury is present in the item and that the item may not be placed in the garbage until the mercury is removed and reused, recycled, or otherwise managed to ensure that it does not become part of solid waste or wastewater:*

(1) a thermostat or thermometer;

(2) an electric switch, individually or as part of another product, other than a motor vehicle;

(3) an appliance; and

(4) a medical or scientific instrument.

Subd. 4. [REMOVAL FROM SERVICE; PRODUCTS CONTAINING MERCURY.] *(a) When an item listed in subdivision 3 is removed from service the mercury in the item must be reused, recycled, or otherwise managed to ensure compliance with section 1.*

(b) A person who is in the business of replacing or repairing an item listed in subdivision 3 in households shall ensure, or deliver the item to a facility that will ensure, that the mercury contained in an item that is replaced

or repaired is reused or recycled or otherwise managed in compliance with section 1.

Subd. 5. [THERMOSTATS.] *A manufacturer of thermostats that contain mercury or that may replace thermostats that contain mercury shall, in addition to the requirements of subdivision 3, provide incentives for and sufficient information to purchasers and consumers of the thermostats for the purchasers or consumers to ensure that mercury in thermostats being removed from service is reused or recycled or otherwise managed in compliance with section 1. A manufacturer that has complied with this subdivision is not liable for improper disposal by purchasers or consumers of thermostats.*

Subd. 6. [THERMOMETERS.] *A medical facility may not routinely distribute thermometers containing mercury.*

Subd. 7. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; LARGE USE APPLICATIONS.] *(a) A person who sells fluorescent or high intensity discharge lamps that contain mercury to the owner or manager of an industrial, commercial, office, or multiunit residential building, or to any person who replaces or removes from service outdoor lamps that contain mercury, shall clearly inform the purchaser in writing on the invoice for the lamps, or in a separate writing, that the lamps contain mercury, a hazardous substance that is regulated by federal or state law. This paragraph does not apply to a person who incidentally sells fluorescent or high intensity discharge lamps at retail to the specified purchasers.*

(b) A person who contracts with the owner or manager of an industrial, commercial, office, or multiunit residential building, or with a person responsible for outdoor lighting, to remove from service fluorescent or high intensity discharge lamps that contain mercury shall clearly inform, in writing, the person for whom the work is being done that the lamps being removed from service contain mercury and what the contractor's arrangements are for the management of the mercury in the removed lamps.

Subd. 8. [BAN; TOYS OR GAMES.] *A person may not sell for resale or at retail in this state a toy or game that contains mercury.*

Subd. 9. [ENFORCEMENT; GENERATORS OF HOUSEHOLD HAZARDOUS WASTE.] *(a) A violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.*

(b) An administrative penalty imposed under section 116.072 for a violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, may not exceed $700.

Sec. 4. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; REPORT.]

The office of waste management, in consultation with the pollution control agency and manufacturers of fluorescent or high intensity discharge lamps that contain mercury, shall study and report to the legislative commission on waste management by January 1, 1993, with recommendations for fully implementing, by January 1, 1996, a system for ensuring that the toxic materials contained in lamps that are replaced are reused, recycled, or otherwise managed to ensure they are not placed in the solid waste stream or a wastewater disposal system, as defined in Minnesota Statutes, section 115.01, subdivision 8. The director of the office of waste management shall

submit a preliminary report to the commission by October 1, 1992.

Sec. 5. [EFFECTIVE DATES.]

Section 3, subdivisions 1, 3, and 5, are effective January 1, 1993, and subdivision 3 applies to items manufactured on and after that date. Section 3, subdivision 4, paragraph (b), is effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; requiring a report on fluorescent and high intensity discharge lamps; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; and 116."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Jean Wagenius, Sidney Pauly, Alice Hausman

Senate Conferees: (Signed) Gregory L. Dahl, LeRoy A. Stumpf, Gary W. Laidig

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2147 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2147 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1681, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1681 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1681

A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; permitting the sale of credit unemployment insurance on the same basis as other credit insurance; requiring consumer disclosures; specifying minimum loss ratios for credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivision 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 61A.011, by adding a subdivision; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 2; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1 and 2; 62B.11; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivision 27, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62B; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13,

subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1681, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1681 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 45.012, is amended to read:

45.012 [COMMISSIONER.]

(a) The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

(b) Data that is received by the commissioner or the commissioner's designee by virtue of membership or participation in an association, group, or organization that is not otherwise subject to chapter 13 is confidential or protected nonpublic data but may be shared with the department employees as the commissioner considers appropriate. The commissioner may release the data to any person, agency, or the public if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.

Sec. 2. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule *adopted* or order *issued* under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or in the prescribing of rules or forms under those chapters;

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

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83,

309, and 332, and sections 326.83 to 326.98, to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

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

(7) require any person subject to chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Sec. 3. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 1a. [RESPONSE TO DEPARTMENT REQUESTS.] *An applicant, registrant, certificate holder, licensee, or other person subject to the jurisdiction of the commissioner shall comply with requests for information, documents, or other requests from the department within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the department. Applicants, registrants, certificate holders, licensees, or other persons subject to the jurisdiction of the commissioner shall appear before the commissioner or the commissioner's representative when requested to do so and shall bring all documents or materials that the commissioner or the commissioner's representative has requested.*

Sec. 4. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, ~~or~~ proceeding, *or inquiry* under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Sec. 5. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 5, is amended to read:

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule ~~or order~~ adopted *or order issued* under those chapters, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 45 to 83, 309,

and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, unless the person requesting the hearing and the department of commerce agree the hearing be scheduled after the seven-day period. After the hearing and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Sec. 6. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed $2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, *or any rule adopted or order issued under those chapters* unless a different penalty is specified.

Sec. 7. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98, or censure that person if the commissioner finds that:

(1) the order is in the public interest; and

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98 *or any rule adopted or order issued under those chapters*.

Except for information classified as confidential under sections 60A.03, subdivision 9; 60A.031; 60A.93; and 60D.22, the commissioner may make any data otherwise classified as private or confidential pursuant to this section accessible to an appropriate person or agency if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest. If the commissioner determines that private or confidential information should be

disclosed, the commissioner shall notify the attorney general as to the information to be disclosed, the purpose of the disclosure, and the need for the disclosure. The attorney general shall review the commissioner's determination. If the attorney general believes that the commissioner's determination does not satisfy the purpose and intent of this provision, the attorney general shall advise the commissioner in writing that the information may not be disclosed. If the attorney general believes the commissioner's determination satisfies the purpose and intent of this provision, the attorney general shall advise the commissioner in writing, accordingly.

After disclosing information pursuant to this provision, the commissioner shall advise the chairs of the senate and house of representatives judiciary committees of the disclosure and the basis for it.

Sec. 8. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 10. [REHABILITATION OF CRIMINAL OFFENDERS.] *Chapter 364 does not apply to an applicant for a license or to a licensee where the underlying conduct on which the conviction is based would be grounds for denial, censure, suspension, or revocation of the license.*

Sec. 9. Minnesota Statutes 1990, section 59A.08, subdivision 1, is amended to read:

Subdivision 1. A premium finance agreement shall:

(a) Be dated and signed by or on behalf of the insured, and the printed portion thereof shall be in at least eight point type;

(b) Contain the name and place of business of the insurance agent or insurance broker negotiating the related insurance contract, the name and residence or the place of business of the insured as specified, the name and place of business of the premium finance company to which installments or other payments are to be made, *the name of the insurer issuing the related insurance contract,* a description of the insurance contracts including the term and type of policy, the premiums for which are advanced or are to be advanced under the agreement and the amount of the premiums therefor; and

(c) Set forth the following items where applicable:

(1) The total amount of the premiums,

(2) The amount of the down payment,

(3) The balance of premiums due, the amount financed (the difference between items (1) and (2)),

(4) The amount of the finance charge,

(5) The amount of the flat service fee,

(6) The total of payments (sum of items (3), (4) and (5)).

Sec. 10. Minnesota Statutes 1990, section 59A.08, subdivision 4, is amended to read:

Subd. 4. The premium finance company or the insurance agent shall deliver to the insured, or mail to the insured at the address shown in the agreement, a completed copy of that agreement. *Within 15 days of receiving the policy number of the policy being financed, the premium finance company shall mail to the insurer a notice of financed premium, which contains the*

term, amount of premium, and type of policy being financed.

Sec. 11. Minnesota Statutes 1990, section 59A.11, subdivision 4, is amended to read:

Subd. 4. Where statutory, regulatory or contractual restrictions provide that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party, the insurer shall give the prescribed notice on behalf of itself or the insured to the governmental agency, mortgagee or other third party within ~~a reasonable time~~ *ten days* after the day it receives the notice of cancellation from the premium finance company. When the above restrictions require the continuation of insurance beyond the effective date of cancellation specified by the premium finance company, the insurance shall be limited to the coverage to which the restrictions relate and to the persons they are designed to protect.

Sec. 12. Minnesota Statutes 1990, section 59A.12, subdivision 1, is amended to read:

Subdivision 1. Whenever a financed insurance contract is canceled, within 30 days of the effective date of cancellation, *if the premium finance company has notified the insurer that the premiums are financed,* the insurer shall return whatever gross unearned premiums, computed pro rata, are due under the insurance contract to the premium finance company for the account of the insured or insureds. This action by the insurer satisfies the insurer's obligations under the insurance contract which relate to the return of the unearned premiums.

Sec. 13. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

Subd. 1a. [ASSOCIATION OR ASSOCIATIONS.] *(a) "Association" or "associations" means an organized body of people who have some interest in common and that has at the onset a minimum of 100 persons; is organized and maintained in good faith for purposes other than that of obtaining insurance; and has a constitution and bylaws which provide that: (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members; (2) except for credit unions, the association or associations collect dues or solicit contributions from members; (3) the members have voting privileges and representation on the governing board and committees, which provide the members with control of the association including the purchase and administration of insurance products offered to members; and (4) the members are not, within the first 30 days of membership, directly solicited, offered, or sold an insurance policy if the policy is available as an association benefit.*

(b) An association may apply to the commissioner for a waiver of the 30-day waiting period to that association. The commissioner may grant the waiver upon a finding of all of the following: (1) the association is in full compliance with this subdivision; (2) sanctions have not been imposed against the association as a result of significant disciplinary action by the commissioner; and (3) at least 80 percent of the association's income comes from dues, contributions, or sources other than income from the sale of insurance.

Sec. 14. Minnesota Statutes 1990, section 60A.03, subdivision 2, is amended to read:

Subd. 2. [POWERS OF COMMISSIONER.] ~~(1) [ENFORCEMENT.]~~ The

commissioner shall have and exercise the power to enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance.

~~(2) [DEPARTMENT OF COMMERCE.] The commissioner shall have and possess all the rights and powers and perform all the duties heretofore vested by law in the commissioner of commerce, except that applications for registrations of securities and brokers' licenses under sections 80A.01 to 80A.31, and all matters pertaining to such registrations and licenses, application for the organization and establishment of new financial institutions under sections 46.041, 46.043, and 46.044, applications by insuring companies for licenses to carry on business within the state, and all matters pertaining to such licenses, and applications for the consolidation of insuring companies transacting business within the state, shall be determined by the commissioner~ in the manner provided by the laws defining the powers and duties of the commissioner of commerce, ~~and the state securities commission, respectively,~~ or, in the absence of any law prescribing the procedure, by ~~such~~ *any* reasonable procedure ~~as~~ the ~~commission, as defined in chapter 45, may prescribe~~ *commissioner prescribes*.

Sec. 15. Minnesota Statutes 1990, section 60A.07, subdivision 1, is amended to read:

Subdivision 1. [INCORPORATION.] Except when the manner of organization is specifically otherwise provided in sections dealing with these insurers, domestic insurance corporations shall be organized under and governed by chapter 300. The articles or certificate of incorporation must meet the requirements of section 300.025, ~~except~~ *other than:*

(1) the requirement that a majority of board members shall always be residents of this state; and

(2) the requirements of section 300.025, clause (7).

Sec. 16. Minnesota Statutes 1990, section 60A.07, subdivision 10, is amended to read:

Subd. 10. [SPECIAL PROVISIONS AS TO LIFE COMPANIES.] (1) [PREREQUISITES OF LIFE COMPANIES.] No mutual life company shall be qualified to issue any policy until applications for at least $200,000 of insurance, upon lives of at least 200 separate residents, have been actually and in good faith made, accepted, and entered upon its books and at least one full annual premium thereunder, based upon the authorized table of mortality, received in cash or in absolutely payable and collectible notes. A duplicate receipt for each premium, conditioned for the return thereof unless the policy be issued within one year thereafter, shall be issued, and one copy delivered to the applicant and the other filed with the commissioner, together with the certificate of a solvent authorized bank in the state, of the deposit therein of such cash and notes, aggregating the amount aforesaid, specifying the maker, payee, date, maturity, and amount of each. Such cash and notes shall be held by it not longer than one year, and at or before the expiration thereof to be by it paid or delivered, upon the written order of the commissioner, to such company or applicants, respectively.

(2) [FOREIGN COMPANIES MAY BECOME DOMESTIC.] Any company organized under the laws of any other state or country, which might have been originally incorporated under the laws of this state, and which has been admitted to do business therein for either or both the purpose of life or accident insurance, upon complying with all the requirements of law

relative to the execution, filing, recording and publishing of original certificates and payment of incorporation fees by like domestic corporations, therein designating its principal place of business at a place in this state, may become a domestic corporation, and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

(3) [TEMPORARY CAPITAL STOCK OF MUTUAL LIFE COMPANIES.] A new mutual life insurance company which has complied with the provisions of clause (1) or an existing mutual life insurance company may establish, a temporary capital of, such amount not less than $100,000, as may be approved by the commissioner. Such temporary capital shall be invested by the company in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than eight percent per annum, which may be cumulative. This capital stock shall not be a liability of the company ~~except that it~~ *but* shall be retired ~~as soon as, but not before, the surplus of the company remaining after its retirement shall be not less than the temporary capital so established~~ *within a reasonable time and according to terms approved by the commissioner*. At the time for the retirement of this capital stock, the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled~~, and the right to vote thereon shall cease~~. *In the event of the liquidation of the company, the holders of temporary capital stock shall have the same preference in the assets of the company as shareholders have in a stock insurance company.*

Temporary capital stock may be issued with or without voting rights. If issued with voting rights, the holders shall, at all meetings, be entitled to one vote for each $10 of temporary capital stock held.

Sec. 17. Minnesota Statutes 1990, section 60A.12, subdivision 4, is amended to read:

Subd. 4. [UNEARNED PREMIUMS RESERVE.] (1) [FOR COMPANIES OTHER THAN LIFE OR TITLE.] To determine the policy liability of any company other than life or title insurance, and the amount the company shall hold as reserve, the commissioner shall take 50 percent of the aggregate premiums, on policies running one year or less from date of policy, and a pro rata rate amount on policies running more than one year from date of policy, except upon inland and marine risks, which the commissioner shall compute by charging 50 percent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. In case of any fire and marine company with less than $200,000 capital admitted to transact in this state fire business only, the full amount of premiums written in its marine and inland navigation and transportation policies shall be charged as liability.

(2) [SPECIAL PROVISIONS FOR MUTUAL FIRE COMPANIES WITH A CONTINGENT LIABILITY.] In case of a mutual fire insurance company with a policyholders' contingent liability fixed by its bylaws and in its policies as provided by law, to determine the amount of this reinsurance reserve, the commissioner shall take 25 percent of the aggregate premiums running one year or less from date of policy, and 50 percent of the pro rata amount on policies running more than one year from date of policy.

(3) [CASUALTY COMPANIES WRITING LIABILITY OR WORKERS' COMPENSATION.] In case of a casualty insurance company writing insurance against loss or damage resulting from accident to or injuries suffered by an employee or other person and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employee not caused by the negligence of an employer, the commissioner shall charge as a liability, in addition to the capital stock and all other outstanding indebtedness of the corporation:

~~The premium reserve on policies in force, equal to 50 percent of the gross premiums charged for covering the risks; provided, that the commissioner may charge a premium reserve equal to the unearned portions of the gross premiums charged, computed on each respective risk from the date of the issuance of the policy.~~ *Notwithstanding any other provision of this subdivision, an unearned premium reserve shall be required based only on the timing and the amount of the recorded written premium.*

(4) [PROVISION FOR ANNUAL PAYMENT TERM POLICIES.] A policy for a term of years on which the premium is payable annually shall be considered a policy for one year.

Sec. 18. Minnesota Statutes 1991 Supplement, section 60A.13, subdivision 3a, is amended to read:

Subd. 3a. [ANNUAL AUDIT.] Every insurance company doing business in this state, including fraternal ~~beneficiary associations~~ *benefit societies*, reciprocal exchanges, service plan corporations licensed pursuant to chapter 62C, and legal service plans licensed pursuant to chapter 62G, unless exempted by the commissioner pursuant to subdivision 4a or by subdivision 7 shall have an annual audit of the financial activities of the most recently completed fiscal year performed by an independent certified public accountant as prescribed by the commissioner, and shall file the report of this audit with the commissioner not more that six months following the close of the company's fiscal year. ~~Any insurer required by this subdivision to file an annual audit which does not currently have its financial statement audited shall file its first audit with the commissioner not later than June 30, 1983. All other insurers shall file their annual audits beginning June 30, 1982.~~

Sec. 19. Minnesota Statutes 1990, section 60A.1701, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] This section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A; or

(b) persons holding life and health, or property and casualty licenses who, ~~by February 28 of each year~~ *at the time of license renewal*, certify to the commissioner in writing that they will sell only credit life, credit health, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 20. Minnesota Statutes 1990, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall

approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove professional designation examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a professional designation examination, the agent must pass the examination. An agent may not receive credit for classroom instruction preparing for the professional designation examination and also receive continuing education credit for passing the professional designation examination.

(c) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;

(3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;

(4) in motivation, the art of selling, psychology, or time management;

~~(5) unless the student attends classroom instruction conducted by an instructor approved by the department of commerce;~~ or

~~(6)~~ *(5)* which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce, *except that home-study courses may be accredited by the commissioner if the student is a nonresident agent residing in a state which is not contiguous to Minnesota.*

Sec. 21. Minnesota Statutes 1990, section 60A.201, subdivision 4, is amended to read:

Subd. 4. [LISTS OF UNAVAILABLE LINES OF INSURANCE; MAINTENANCE.] The commissioner shall maintain on a current basis a list of those lines of insurance for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish a list and make *it* available to all licensees ~~the list every six months~~ *at least annually*. Any person may request in writing that the commissioner add or remove coverage from the current list at the next publication of the list. The commissioner's determinations of coverages to be added to or removed from the list shall not be subject to the administrative procedure act but prior to making determinations the commissioner shall provide opportunity for comment from interested parties.

Sec. 22. Minnesota Statutes 1990, section 60A.203, is amended to read:

60A.203 [~~LICENSEES TO FILE EVIDENCE OF TRANSACTIONS~~ *FILING REQUIREMENTS.*]

Each surplus lines licensee shall keep a separate account of each transaction entered into pursuant to sections 60A.195 to 60A.209. Evidence of these transactions shall be ~~filed with the commissioner~~ *documented* in the form~~,~~ *and* manner~~, and time~~ designated by the commissioner ~~or if designated by the commissioner, with an association~~ *and retained by the licensee for a minimum of five years. The forms must be readily available for review and audit by the commissioner.*

Sec. 23. Minnesota Statutes 1990, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least $3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061 in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 24. Minnesota Statutes 1990, section 60B.03, is amended by adding a subdivision to read:

Subd. 20. [AFFILIATE OR AFFILIATED.] *An "affiliate" of, or a person "affiliated" with, a specific person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.*

Sec. 25. Minnesota Statutes 1990, section 60B.15, is amended to read:

60B.15 [GROUNDS FOR REHABILITATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order directing the commissioner to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of liquidation under section 60B.20, whenever the commissioner believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer, its policyholders or to the public;

(2) That the commissioner has reasonable cause to believe that there has been theft from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, which endanger assets in an amount threatening insolvency of the insurer;

(3) That substantial and unexplained discrepancies exist between the insurer's records and the most recent annual report or other official company reports;

(4) That the insurer, after written demand by the commissioner, has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business such as is the basis for action under section 60A.051;

(5) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy such as is the basis for action under section 60A.051;

(6) That the insurer, after written demand by the commissioner, has failed within a reasonable period of time to terminate the employment and status and all influences on management of any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person if the person has refused to submit to lawful examination under oath by the commissioner concerning the affairs of the insurer, whether in this state or elsewhere;

(7) That after lawful written demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents, or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or an authorized representative. If the insurer is unable to submit the property, books, accounts, documents, or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer;

(8) That without first obtaining the written consent of the commissioner, or if required by law, the written consent of the attorney general, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business of any other person;

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under sections 60B.01 to 60B.61, and that such appointment has been made or is imminent, and that such appointment might divest the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under sections 60B.01 to 60B.61;

(10) That within the previous year the insurer has willfully violated its charter or articles of incorporation or its bylaws or any applicable insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under section 60B.11 in any manner or as to any matter which threatens substantial injury to the insurer, its creditors, it policyholders or the public, or having become aware within the previous year of an unintentional or willful violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the

same violations in the future;

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders, or the public is threatened by reason thereof;

(12) That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation or judgment has been terminated, whether it is before the commissioner or in the courts;

(13) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately;

(14) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under sections 60B.01 to 60B.61;

(15) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements;

(16) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public;

(17) That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full;

(18) In the context of a health maintenance organization, "insurer" when used in clauses (1) to (17) means "health maintenance organization." In addition to the grounds in clauses (1) to (17), any one of the following constitutes grounds for rehabilitation of a health maintenance organization:

(a) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(b) grounds exist under section 62D.042, subdivision 7;

(c) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(d) in addition to grounds under clause (16), within the last year the health maintenance organization has failed, and the commissioner of health expects such failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(e) in addition to grounds under clause (16), within the last year the directors or officers of the health maintenance organization willfully violated

the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future;

(19) An affiliate of the insurer has been placed in conservatorship, rehabilitation, liquidation, or other court supervision such that the insurer's financial condition may be jeopardized.

Sec. 26. Minnesota Statutes 1990, section 60B.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL DEPUTY COMMISSIONER.] The commissioner as rehabilitator shall ~~make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as~~ *employ a* special deputy commissioner to rehabilitate the insurer. The special deputy shall have all of the powers of the rehabilitator granted under this section. ~~To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state.~~ Subject to court approval, the commissioner shall make ~~such~~ arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

Sec. 27. Minnesota Statutes 1991 Supplement, section 60D.15, subdivision 4, is amended to read:

Subd. 4. [CONTROL.] The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with ~~or~~, corporate office held by, *or court appointment of*, the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 28. Minnesota Statutes 1991 Supplement, section 60D.17, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY COMMISSIONER; HEARINGS.] (a) The commissioner shall approve any merger or other acquisition of control referred to in subdivision 1 unless, after a public hearing, the commissioner finds that:

(1) After the change of control, the domestic insurer referred to in subdivision 1 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed, *unless the domestic insurer is in rehabilitation or other court-ordered supervision and the acquiring party commits to a plan that would enable the domestic insurer to satisfy the requirements for the issuance of a license within a reasonable amount of time*;

(2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein in applying the competitive standard in this subdivision:

(i) the informational requirements of section 60D.18, subdivision 3, paragraph (b), and the standards of section 60D.18, subdivision 4, paragraph (c), shall apply:

(ii) the merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by section 60D.18, subdivision 4, paragraph (c), exist; and

(iii) the commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(4) The plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(6) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing referred to in paragraph (a) must be held 30 days after the statement required by subdivision 1 is filed, and at least 20 days notice of it shall be given by the commissioner to the person filing the statement. Not less than seven days notice of the public hearing shall be given by the person filing the statement to the insurer and to other persons designated by the commissioner. The commissioner shall make a determination within 30 days after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected by it may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and may conduct discovery proceedings in the same manner as is presently allowed in the district courts of this state. All discovery proceedings must be concluded not later than three days before the start of the public hearing.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed acquisition of control.

Sec. 29. Minnesota Statutes 1990, section 61A.011, is amended by adding a subdivision to read:

Subd. 7. [ACCIDENTAL DEATH BENEFITS.] *Payments of accidental death benefits under an individual or group policy, whether payable in connection with a separate policy issued solely to provide that type of*

coverage or otherwise, are subject to this section. If the applicable rate of interest cannot be determined as provided in this section, the rate of interest for purposes of subdivision 1 is the rate provided in section 549.09, subdivision 1, paragraph (c).

Sec. 30. Minnesota Statutes 1990, section 62A.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association ~~having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter~~ *as defined by section 60A.02, subdivision 1a,* where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

Sec. 31. Minnesota Statutes 1990, section 62A.21, subdivision 2b, is amended to read:

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. ~~A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision.~~ The individual policy shall be renewable at the option of the ~~former spouse~~ *covered person* as long as the ~~former spouse~~ *covered person* is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the ~~former spouse's~~ *covered person's* original age at entry and shall apply equally to all similar policies issued by the insurer.

A policy providing reduced benefits at a reduced premium rate may be accepted by the covered person in lieu of the optional coverage otherwise required by this subdivision.

Sec. 32. Minnesota Statutes 1990, section 62A.30, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and ~~group~~ subscriber contracts offered by nonprofit health service plan corporations

regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Sec. 33. Minnesota Statutes 1990, section 62A.54, is amended to read:

62A.54 [PROHIBITED PRACTICES.]

Unless otherwise provided for in ~~Laws 1986, chapter 397,~~ sections ~~2 to 8~~ *62A.46 to 62A.56*, the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of Medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any agent or company providing information on the medical assistance program shall also provide information about how to contact the county human services department or the state department of human services.

Sec. 34. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to~~ *regulated under* chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~, health maintenance organizations ~~and~~ *regulated under chapter 62D*, nonprofit health service plan corporations ~~incorporated~~ *regulated* under chapter 62C ~~or~~, fraternal benefit ~~society operating~~ *societies regulated* under chapter 64B, *and joint self-insurance plans regulated under chapter 62H*. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 35. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers, self-insurers, fraternals, *joint self-insurance plans regulated under chapter 62H*, and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 36. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions

1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 37. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

Subd. 7. [TERMINATIONS OF CONVERSION POLICIES.] *(a) A Minnesota resident who is covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), at any time for any reason during the term of coverage.*

(b) A Minnesota resident who was covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), if that person applies for coverage within 90 days after termination of the conversion policy or contract coverage regardless of: (1) the reasons for the termination; or (2) the party terminating coverage.

(c) Coverage under this subdivision is effective upon termination of prior coverage if the enrollee has submitted a completed application and paid the required premium or fee.

Sec. 38. Minnesota Statutes 1990, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer *and health maintenance organization* which rejects or applies underwriting restrictions to an applicant for ~~accident and~~ *a plan of* health ~~insurance~~ *coverage* shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant in a manner consistent with the requirements in section 72A.499; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail.

This written material shall be provided by the association to every insurer at no charge.

Sec. 39. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 5. [INITIAL NOTIFICATION.] *Every insurer and health maintenance organization before issuing a conversion policy or contract of health insurance shall:*

(1) notify the applicant of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 40. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 6. [ANNUAL NOTIFICATION.] *Every insurer and health maintenance organization which provides health coverage to an insured through a conversion plan shall annually:*

(1) notify the insured of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 41. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 7. [CONVERSION RATES.] *For Medicare supplement conversion policies issued prior to the effective date of this section, the requirements of subdivisions 5 and 6 apply only when the conversion rates offered to the applicant by the insurer or health maintenance organization exceed the association rates.*

Sec. 42. Minnesota Statutes 1990, section 62E.16, is amended to read:

62E.16 [*POLICY* CONVERSION ~~PRIVILEGES~~ *RIGHTS*.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group *or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees*, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other

covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group *or of the employer member of the group* and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group *or of the employer member of the group* shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 43. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ *two* or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of ~~250~~ *100* covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 44. [62I.121] [BENEFITS FOR EMPLOYEES.]

At the option of the board, employees may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service, and an insurance plan administered by the commissioner of employee relations under chapter 43A.

Sec. 45. Minnesota Statutes 1990, section 65B.133, subdivision 4, is amended to read:

Subd. 4. [NOTIFICATION OF CHANGE.] No insurer may change its surcharge plan unless a surcharge disclosure statement is mailed or delivered to the named insured before the change is made. A surcharge disclosure statement disclosing a change applicable on the renewal of a policy, may

be mailed with an offer to renew the policy. ~~No~~ *Surcharges cannot be applied to accidents or traffic violations that occurred prior to a* change in a surcharge plan ~~may be applied retroactively~~ *except to the extent provided under the prior plan.*

Sec. 46. Minnesota Statutes 1990, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason; *or*

(3) make any discrimination in offering or establishing rates, premiums, dividends, or benefits of any kind, or by way of rebate, for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

Sec. 47. Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR CLAIM DENIAL.] The following acts by an insurer, adjuster, or self-insured, or self-insurance administrator constitute unfair settlement practices:

(1) denying a claim or any element of a claim on the grounds of a specific policy provision, condition, or exclusion, without informing the insured of the policy provision, condition, or exclusion on which the denial is based;

(2) denying a claim without having made a reasonable investigation of the claim;

(3) denying a liability claim because the insured has requested that the claim be denied;

(4) denying a liability claim because the insured has failed or refused to report the claim, unless an independent evaluation of available information

indicates there is no liability;

(5) denying a claim without including the following information:

(i) the basis for the denial;

(ii) the name, address, and telephone number of the insurer's claim service office or the claim representative of the insurer to whom the insured or claimant may take any questions or complaints about the denial; and

(iii) the claim number and the policy number of the insured;

(6) denying a claim because the insured or claimant failed to exhibit the damaged property unless:

(i) the insurer, within a reasonable time period, made a written demand upon the insured or claimant to exhibit the property; and

(ii) the demand was reasonable under the circumstances in which it was made;

(7) denying a claim by an insured or claimant based on the evaluation of a chemical dependency claim reviewer selected by the insurer unless the reviewer meets the qualifications specified under subdivision 8a. An insurer that selects chemical dependency reviewers to conduct claim evaluations must annually file with the commissioner of commerce a report containing the specific evaluation standards and criteria used in these evaluations. *The report must be filed at the same time its annual statement is submitted under section 60A.13.* The report must also include the number of evaluations performed on behalf of the insurer during the reporting period, the types of evaluations performed, the results, the number of appeals of denials based on these evaluations, the results of these appeals, and the number of complaints filed in a court of competent jurisdiction.

Sec. 48. Minnesota Statutes 1990, section 72B.02, is amended by adding a subdivision to read:

Subd. 14. [CROP HAIL ADJUSTER.] *"Crop hail adjuster" means a person who for money, commission, or other thing of value acts as an adjuster in regard to insurance policies against crop damage by hail.*

Sec. 49. Minnesota Statutes 1990, section 72B.03, subdivision 2, is amended to read:

Subd. 2. [CLASSES OF LICENSES.] *(a)* There shall be ~~three~~ *four* classes of licenses, as follows:

~~(a)~~ *(1)* independent adjuster's license~~.~~*;*

~~(b)~~ *(2)* public adjuster's license~~.~~*;*

~~(c)~~ *(3)* public adjuster solicitor's license*; and*

(4) crop hail adjuster's license.

(b) The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

~~(a)~~ *(1)* fire and allied lines, inland marine lines and including all perils under homeowners policies~~.~~*;*

~~(b)~~ *(2)* all lines written as casualty insurance under section 60A.06, and including workers' compensation~~.~~*; and*

~~(c)~~ *(3)* a combination of the fields described in ~~(a)~~ *clauses (1)* and ~~(b),~~

~~above~~ *(2)*. Separate licenses shall be required for each field, but the same person may obtain licenses in more than one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Sec. 50. Minnesota Statutes 1990, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 51. Laws 1991, chapter 233, section 111, is amended to read:

Sec. 111. [EFFECTIVE DATE.]

(a) Sections 33 and 110, paragraph (a), are effective the day following final enactment.

(b) Sections 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 77; 78; 79; 80; 81; 82; 83; and 110, paragraph (b), are effective August 1, 1991.

(c) ~~Sections 43 and~~ *Section* 44 ~~are~~ *is* effective ~~July~~ *for the licensing year beginning June* 1, 1992.

Sec. 52. [REQUIRED PROPERTY AND CASUALTY COVERAGES INCLUDING BONDS; STUDY.]

The commissioner of commerce shall conduct a study of all property and casualty insurance coverages including bonds required by state law and report to the legislature by February 1, 1993. The report shall include, but is not limited to, the following:

(1) identification of all required insurance coverages and bonds;

(2) the purpose of the requirement, for example, if it is to protect third

parties, to protect government, or to protect the purchaser;

(3) the availability of the insurance and bonds from admitted insurers;

(4) the likely effect, including cost implications, of requiring that only admitted carriers may offer the coverage; and

(5) other information the commissioner considers appropriate.

The commissioner may request an extension of the date of submission of the report from the chairs of the senate commerce committee and the house financial institutions and insurance committee.

Sec. 53. [APPLICATION.]

Section 13 does not apply to policies in force on the effective date of that section and does not preclude renewals of those policies.

Section 20 applies to reports required to be filed in 1993 and subsequent years.

Sec. 54. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the terms "fraternal beneficiary association," "association," or similar terms to "fraternal benefit society," "society," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules in connection with those entities regulated under Minnesota Statutes, chapter 64B.

Sec. 55. [REPEALER.]

Minnesota Statutes 1990, sections 65B.70; and 72A.13, subdivision 3, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Section 44 is effective retroactive to the effective date of Laws 1989, chapter 260, section 25. The prohibition against solicitation of members within the first 30 days of membership in section 13 is effective August 1, 1993.

ARTICLE 2

Section 1. Minnesota Statutes 1990, section 45.028, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters.

(b) Subdivision 2 ~~also~~ applies in all other cases under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) Subdivision 2 applies in all cases in which service of process is allowed to be made on the commissioner of commerce.

Sec. 2. Minnesota Statutes 1990, section 48.185, subdivision 7, is amended to read:

Subd. 7. Any bank or savings bank extending credit in compliance with the provisions of this section, which is injured competitively by violations of this section by another bank or savings bank, may institute a civil action in the district court of this state against that bank or savings bank for an injunction prohibiting any violation of this section. The court, upon proper proof that the defendant has engaged in any practice in violation of this section, may enjoin the future commission of that practice. Proof of monetary damage or loss of profits shall not be required. Costs and attorneys' fees may be allowed to the plaintiff, unless the court directs otherwise. The relief provided in this subdivision is in addition to remedies otherwise available against the same conduct under the common law or statutes of this state.

Service of process shall be as in any other civil suit, except that if a defendant in the action is a foreign corporation or a national banking association with its principal place of business in another state, service of process may also be made by personal service outside the state, or in the manner provided by section 303.13, subdivision 1, clause (3), or in such manner as the court may direct, *or in accordance with section 45.028, subdivision 2*. Process is valid if it satisfies the requirements of due process of law, whether or not defendant is doing business in Minnesota regularly or habitually.

Sec. 3. Minnesota Statutes 1990, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES.] The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process ~~is~~ *authorized by this section shall be* made ~~by delivering to and leaving with the commissioner two copies thereof for each company being served~~ *in compliance with section 45.028, subdivision 2*.

Sec. 4. Minnesota Statutes 1990, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made ~~by delivering to and leaving~~

~~with the commissioner of commerce or some person in apparent charge of that office two copies thereof~~ *in compliance with section 45.028, subdivision 2* and the payment ~~to that person~~ of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4). ~~The commissioner of commerce shall forthwith mail by certified mail one of the copies of such process to the defendant at its last known principal place of business and shall keep a record of all process so served upon the commissioner. Such service of process is sufficient provided notice of such service and a copy of the process are sent within ten days thereafter by certified mail by plaintiff or plaintiff's attorney to the defendant at its last known principal place of business and the defendant's receipt, or receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the court administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.~~

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service

of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 5. Minnesota Statutes 1990, section 64B.35, subdivision 2, is amended to read:

Subd. 2. [SERVICE.] Service *under this section* shall ~~only~~ be made ~~upon the commissioner, or if absent, upon the person in charge of the commissioner's office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall immediately forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer~~ *in compliance with section 45.028, subdivision 2*. No service shall require a society to file its answer, pleading, or defense in less than 30 days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. ~~At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner a fee as prescribed in section 60A.14.~~

Sec. 6. Minnesota Statutes 1990, section 71A.02, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER AS AGENT FOR SERVICE.] Concurrently with the filing of the declaration provided for by the terms of subdivision 2, the attorney shall execute and file with the commissioner an instrument in writing for the subscribers, conditioned that upon the issuance of the certificate of authority provided for in subdivision 1, service of process *in compliance with section 45.028, subdivision 2*, may be had upon the commissioner in all suits in this state arising out of these policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. ~~Three copies of the process shall be served and the commissioner shall file one copy, forward one copy to the attorney, and return one copy with an admission of service.~~

Sec. 7. Minnesota Statutes 1990, section 72A.22, subdivision 5, is amended to read:

Subd. 5. [SERVICE.] Statements of charges, notices, orders, and other processes of the commissioner under sections 72A.17 to 72A.32 may be served by anyone duly authorized by the commissioner, either in the manner provided by law for service of process in civil actions or ~~by registering and mailing a copy thereof to the person affected by the statement, notice, order, or other process at the person's residence or principal office or place of business. A verified return by the person serving the statement, notice, order, or other process, setting forth the manner of such service, or the return postcard receipt for a copy of the statement, notice, order, or other process, registered and mailed as aforesaid, shall be proof of the service of the same~~ *in compliance with section 45.028, subdivision 2*.

Sec. 8. Minnesota Statutes 1990, section 72A.37, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SERVICE.] Service of a statement of charges and notices under said unfair trade practice act shall be made by any deputy or employee of the department of commerce ~~delivering to and leaving with~~ *upon* the commissioner or some person in apparent charge of the office,

~~two copies thereof~~ *in compliance with section 45.028.* Service of process issued by any court in any action, suit or proceeding to collect any penalty under said act provided, shall be made ~~by delivering and leaving with the commissioner, or some person in apparent charge of the office, two copies thereof. The commissioner shall forthwith cause to be mailed by certified mail one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements of charges, notices and process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the commissioner in the case of any statement of charges or notices, or with the court administrator of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed~~ *in compliance with section 45.028, subdivision 2.*

Sec. 9. Minnesota Statutes 1990, section 72A.43, subdivision 2, is amended to read:

Subd. 2. Service of such process shall be made ~~by delivering and leaving with the commissioner two copies thereof and the payment to the commissioner of a $15 filing fee. The commissioner shall forthwith mail by certified mail one of the copies of such process to such company at its last known registered office, and shall keep a record of all process so served. The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, shall be filed with the court administrator of the court in which such action or proceeding is pending on or before the return date of such process or within such further time as the court may allow~~ *in compliance with section 45.028, subdivision 2.*

Sec. 10. Minnesota Statutes 1990, section 80A.27, subdivision 7, is amended to read:

Subd. 7. Every applicant for registration under sections 80A.01 to 80A.31 and every issuer who proposes to offer a security in this state through any person acting on an agency basis in the common law sense shall file with the commissioner, in such form as the commissioner by rule prescribes, an irrevocable consent appointing the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor, executor, or administrator which arises under sections 80A.01 to 80A.31 or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. The consent need not be filed by a person who has filed a consent in connection with a previous registration or license which is then in effect. Service may be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 11. Minnesota Statutes 1990, section 80A.27, subdivision 8, is amended to read:

Subd. 8. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 80A.01 to 80A.31 or any rule or order hereunder, and has not filed a consent to service of process under subdivision 7 and personal jurisdiction cannot otherwise be obtained in this state, that conduct shall be considered equivalent to an appointment of the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor executor or administrator which grows out of that conduct and which is brought under sections 80A.01 to 80A.31 or any rule or order hereunder, with the same force and validity as if served personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 12. Minnesota Statutes 1990, section 80C.20, is amended to read:

80C.20 [SERVICE OF PROCESS.]

Every applicant for registration under sections 80C.01 to 80C.22 and every franchisor on whose behalf an application for registration is filed, except applicants and franchisors which are Minnesota corporations, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and successors in office to be the applicant's or franchisor's attorney to receive service of any lawful process in any civil action against the applicant or franchisor or a successor, executor or administrator, which arises under sections 80C.01 to 80C.22 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the applicant or franchisor or a successor, executor or administrator. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and the plaintiff's affidavit of compliance with this subsection is filed with the court at the time of the filing of the complaint~~ *in compliance with section 45.028, subdivision 2.*

When any person, including any nonresident of this state and any foreign corporation, engages in conduct prohibited or made actionable by sections 80C.01 to 80C.22, whether or not the person has filed a consent to service of process, and personal jurisdiction over the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to appointment of the commissioner and successors in office to be the person's agent to receive service of any lawful process in any suit against the person or a successor, executor or administrator which grows out of that conduct and which is brought under sections 80C.01 to 80C.22, with the same force

and validity as if served personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address on file with the commissioner and the plaintiff's affidavit of compliance with this section is filed with the court at the time of the filing of the complaint~~ *in compliance with section 45.028, subdivision 2*.

Sec. 13. Minnesota Statutes 1990, section 82.31, subdivision 3, is amended to read:

Subd. 3. Service of process under this section ~~may~~ *shall* be made ~~by filing a copy of the process with the commissioner or a representative, but is not effective unless:~~

~~(a) The plaintiff, who may be the commissioner in an action or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney pursuant to appointment in compliance with subdivision 1, and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney pursuant to appointment by virtue of subdivision 2; and~~

~~(b) The plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within such further time as the court or administrative law judge allows~~ *in compliance with section 45.028, subdivision 2*.

Sec. 14. Minnesota Statutes 1990, section 82A.22, subdivision 1, is amended to read:

Subdivision 1. [CONSENT TO SERVICE.] Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless:~~

~~(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last address on file with the commissioner; and~~

~~(2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2*.

Sec. 15. Minnesota Statutes 1990, section 82A.22, subdivision 2, is

amended to read:

Subd. 2. [APPOINTMENT OF COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the person which grows out of that conduct and which is brought under this chapter or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless:~~

~~(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice; and~~

~~(2) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 16. Minnesota Statutes 1991 Supplement, section 82B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE.] Service of process under this section ~~may~~ *shall* be made ~~under the provisions of~~ *in compliance with* section 45.028, *subdivision 2.*

Sec. 17. Minnesota Statutes 1990, section 83.39, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] Every applicant for registration under sections 83.20 to 83.42, 83.43 and 83.44 shall file with the commissioner, in a format as by rule may be prescribed, an irrevocable consent appointing the commissioner or commissioner's successor to be the applicant's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or a successor, executor, or administrator which arises under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 18. Minnesota Statutes 1990, section 83.39, subdivision 2, is amended to read:

Subd. 2. [SERVICE ON COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 83.20 to 83.42, 83.43 and 83.44, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the commissioner or the commissioner's successor, executor, or administrator which grows out of that conduct and which is brought under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may~~ *under this section shall* be made ~~by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows~~ *in compliance with section 45.028, subdivision 2.*

Sec. 19. Minnesota Statutes 1990, section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer at the registered office of the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of $35 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by the secretary to the corporation by certified mail, if the place of its main office is known to the secretary or is disclosed by the files in the office.

If the defendant is a foreign insurance corporation, the summons may be served ~~by two copies delivered to the commissioner of commerce, who shall file one in the commissioner's office and forthwith mail the other postage prepaid to the defendant at its home office~~ *in compliance with section 45.028, subdivision 2.*

ARTICLE 3

INSURANCE AGENTS

Section 1. Minnesota Statutes 1990, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is a person acting under express authority from, and an appointment pursuant to section ~~60A.17~~ *60K.02* by, an insurer and on its behalf to solicit insurance, or to appoint other agents

to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, a corporation, or other entity, including an insurance agency.

Sec. 2. [60A.052] [DENIAL, REVOCATION, SUSPENSION OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. [GROUNDS.] *The commissioner may by order take any or all of the following actions: (1) deny, suspend, or revoke a certificate of authority; (2) censure the insurance company; or (3) impose a civil penalty as provided for in section 45.027, subdivision 6. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:*

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, or similar conduct;

(7) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state;

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation; or

(11) has violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters.

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] *If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order*

requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] *Whenever it appears to the commissioner that an application for a certificate of authority should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the applicant shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying the application, the allegations of which may be considered to be true.*

Subd. 4. [ACTIONS AGAINST LAPSED CERTIFICATE OF AUTHORITY.] *If a certificate of authority lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the certificate of authority was last effective and enter a revocation or suspension order as of the last date on which the certificate of authority was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.*

Sec. 3. [60K.01] [DEFINITIONS.]

Unless the language or context clearly indicates that a different meaning is intended, the definitions in section 60A.01 are applicable to this chapter.

Sec. 4. [60K.02] [INSURANCE AGENTS; SOLICITORS LICENSE.]

Subdivision 1. [REQUIREMENT.] *No person shall act or assume to act as an insurance agent in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges and fraternal benefit societies, until that person obtains from the commissioner a license for that purpose. The license must specifically set forth the name of the person authorized to act as an agent and the class*

or classes of insurance for which that person is authorized to solicit or countersign policies. An insurance agent may qualify for a license in the following classes: (1) life and health; and (2) property and casualty.

No insurer shall appoint or reappoint a natural person, partnership, or corporation to act as an insurance agent on its behalf until that natural person, partnership, or corporation obtains a license as an insurance agent.

Subd. 2. [PARTNERSHIPS AND CORPORATIONS.] *A license issued to a partnership or corporation must be solely in the name of the entity to which it is issued; provided that each partner, director, officer, stockholder, or employee of the licensed entity who is personally engaged in the solicitation or negotiation of a policy of insurance on behalf of the licensed entity shall be personally licensed as an insurance agent.*

Upon request by the commissioner, each partnership and corporation licensed as an insurance agent shall provide the commissioner with a list of the names of each partner, director, officer, stockholder, and employee who is required to hold a valid insurance agent's license.

Subd. 3. [TRANSITION.] *(a) Any agent who is qualified for life or accident and health as of June 1, 1981, is qualified for a life and health license under Laws 1981, chapter 307, and is appointed by an insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.*

(b) Any agent who is qualified for one or more lines of insurance, excluding life or accident and health and farm property liability as of June 1, 1981, is qualified for a property and casualty license under Laws 1981, chapter 307, and is appointed by any insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

Subd. 4. [CRIMINAL PENALTIES.] *A person who acts or assumes to act as an insurance agent without a valid license issued by the commissioner is guilty of a gross misdemeanor.*

Sec. 5. [60K.03] [LICENSE APPLICATION.]

Subdivision 1. [PROCEDURE.] *An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.*

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Subd. 2. [RESIDENT AGENT.] *The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:*

(a) A person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for

licensing purposes constitutes an election of residency in this state. A license issued upon an application claiming residency in this state is void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state.

(b) The commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination must be held at a reasonable time and place designated by the commissioner.

(c) The examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state.

(d) The examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall not include a school sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order.

(e) The applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed.

(f) An applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived.

(g) Any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under section 60K.12 is exempt from the requirement of a written examination.

Subd. 3. [NONRESIDENT AGENT.] *The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:*

(a) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought.

(b) The commissioner shall not issue a license to a nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in an action, suit, or proceeding instituted by or on behalf of an interested person arising out of the applicant's insurance business in this state. This designation constitutes an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon a licensee in an action or proceeding begun in a court of competent jurisdiction of this state may be made in compliance with section 45.028, subdivision 2.

(c) A nonresident license terminates automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

Subd. 4. [TERM.] *All licenses issued pursuant to this section remain in force until voluntarily terminated by the licensee, not renewed as prescribed in section 60K.06, or until suspended or revoked by the commissioner. A voluntary termination occurs when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination also occurs upon the happening of the event described in subdivision 3, paragraph (c).*

Every licensed agent shall notify the commissioner within 30 days of a change of name, address, or information contained in the application.

Subd. 5. [SUBSEQUENT APPOINTMENTS.] *A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment must be on a form prescribed by the commissioner.*

Subd. 6. [AMENDMENT OF LICENSE.] *An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).*

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Subd. 7. [EXCEPTIONS.] *The following are exempt from the general licensing requirements prescribed by this section:*

(1) agents of township mutuals who are exempted pursuant to section 60K.04;

(2) fraternal benefit society representatives exempted pursuant to section 60K.05;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee for it;

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and

(7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 6. [60K.04] [TOWNSHIP MUTUAL AGENTS.]

No agent for a township mutual shall be required to take an examination to become eligible for an agent's license in farm property perils and farm liability if it is certified by one or more township mutual companies that the agent has been acting in the capacity of an agent at least since January 1, 1971, and no new examination shall be required for eligibility for a license in farm property perils and farm liability for a licensed agent in farm windstorm and hail insurance who was licensed prior to January 1, 1971.

Sec. 7. [60K.05] [FRATERNAL BENEFIT SOCIETY REPRESENTATIVES.]

Representatives of fraternal benefit societies who solicit and negotiate insurance contracts shall be deemed to be insurance agents and subject to the licensing requirements as set forth in section 60K.03 subdivision 1; provided, that no insurance agent's license shall be required of:

(1) any officer, employee, or secretary of a fraternal benefit society or of any subordinate lodge or branch who devotes substantially all of that person's time to activities other than the solicitation or negotiation of insurance contracts and who receives no commission or other compensation directly dependent upon the number or amount of contracts solicited or

negotiated; or

(2) any agent or representative of a fraternal benefit society who devotes, or intends to devote, less than 50 percent of that person's time to the solicitation and procurement of insurance contracts for that society. Any person who in the preceding calendar year has solicited and procured life insurance in excess of $50,000 face amount, or, in the case of any other kinds of insurance which the society may write, on the persons of more than 25 individuals, and who has received or will receive a commission or other compensation in the total amount of $1,000 or more, shall be presumed to be devoting, or intending to devote, 50 percent of that person's time to the solicitation or procurement of insurance contracts for that society.

Sec. 8. [60K.06] [RENEWAL FEE.]

(a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.

Sec. 9. [60K.07] [TEMPORARY LICENSES.]

Subdivision 1. [EXAMINATION.] *The commissioner may grant a temporary insurance agent's license to a person who has successfully completed the examination, if any, required by the commissioner. The temporary license may be granted as of the date upon which the applicant receives written notice from the commissioner that the person has passed any required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (1) receipt by the applicant of the resident license, or (2) the expiration of 90 days from the date on which the temporary license was granted.*

Subd. 2. [PERMISSIVE TEMPORARY LICENSE.] *The commissioner may issue a temporary license to a person to act as an insurance agent for a period not to exceed 90 days, which may be extended as determined by the commissioner, without requiring an examination if the commissioner considers a temporary license necessary for the servicing of an insurance business in the following cases:*

(1) to an agent licensed as a resident agent in another state where the commissioner determines that the foreign license is substantially the equivalent of that being applied for from the state of Minnesota and where the agent has been transferred into this state with the intention of becoming a

resident, working as an insurance agent, and obtaining a resident license from the state of Minnesota;

(2) to the surviving spouse or next of kin, or to the administrator or executor, or to an employee of a deceased licensed insurance agent, or to the spouse, next of kin, an employee, or legal guardian of a disabled licensed insurance agent;

(3) to the designee of a licensed insurance agent entering upon active service in the armed forces of the United States; or

(4) in any other circumstance where the commissioner considers that the public interest will best be served by the issuance of a temporary license.

Sec. 10. [60K.08] [BROKERAGE BUSINESS.]

Every insurance agent duly licensed to transact business in this state shall have the right to procure the insurance of risks, or parts of risks, in the class or classes of insurance for which the agent is licensed in other insurers duly authorized to transact business in this state, but the insurance shall only be consummated through a duly appointed resident agent of the insurer taking the risk. If the law of another state requires a nonresident agent who is a resident agent of Minnesota to pay a portion of the premium to or share commissions with a licensed resident agent of that state, then the licensed resident agent of Minnesota when consummating and countersigning for a licensed nonresident agent of that state shall receive five percent of the total premium or 25 percent of the commission, whichever is less.

Sec. 11. [60K.09] [UNFIT PERSON NOT TO BE EMPLOYED BY INSURER.]

No insurer, its officers, agents, or managers shall knowingly make application to the commissioner for appointment of a person as its agent where that person is known to the insurer, its officers, agents, or managers making the application, to be unfit or disqualified to be licensed as an insurance agent, and immediately upon the discovery by the insurer, its officers, agents, or managers having supervision of the agent, of the unfitness or disqualification, the insurer, or the officers agents, or managers shall forthwith inform the commissioner in writing of their decision to terminate their appointment of this agent; nor shall any insurer retain in its employ any agent known by it to be disqualified or unfit to be licensed as an insurance agent.

Sec. 12. [60K.10] [TERM OF APPOINTMENTS.]

All appointments of agents by insurers pursuant to this section shall remain in force until terminated voluntarily by the appointing insurer or the license of the agent has for any reason been terminated during the appointment. The original appointing insurer, as well as any subsequent appointing insurer, may terminate the appointment of an agent at any time by giving written notice thereof to the commissioner and by sending a copy thereof to the last known address of the agent. The effective date of the termination shall be the date of receipt of the notice by the commissioner unless another date is specified by the insurer in the notice. Within 30 days after the insurer gives notice of termination to the commissioner, the insurer shall furnish the agent with a current statement of the agent's commission account.

Accompanying the notice of a termination given to the commissioner by

the insurer shall be a statement of the specific reasons constituting the cause of termination. Any document, record, or statement relating to the agent which is disclosed or furnished to the commissioner contemporaneously with, or subsequent to, the notice of termination shall be deemed confidential by the commissioner and a privileged communication. The document, record, or statement furnished to the commissioner shall not be admissible in whole or in part for any purpose in any action or proceeding against (1) the insurer or any of its officers, employees, or representatives submitting or providing the document, record, or statement, or (2) any person, firm, or corporation furnishing in good faith to the insurer the information upon which the reasons for termination are based.

Sec. 13. [60K.11] [DENIAL, REVOCATION, SUSPENSION, AND CENSURE OF LICENSES.]

Subdivision 1. [GROUNDS.] *The commissioner may by order take any or all of the following actions:*

(1) deny, suspend, or revoke an insurance agent or agency license;

(2) censure the licensee; or

(3) impose a civil penalty as provided for in section 45.027, subdivision 6.

In order to take this action the commissioner must find that the order is in the public interest and that the applicant, licensee, or in the case of an insurance agency, partner, director, shareholder, officer, or agent of that insurance agency:

(i) does not intend to or is not in good faith carrying on the business of an insurance agent;

(ii) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;

(iii) has engaged in an act or practice, whether or not such act or practice involves the business of insurance, which demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act as an insurance agent or agency;

(iv) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault or similar conduct;

(v) has violated or failed to comply with any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters;

(vi) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(vii) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(viii) has had an insurance agent or agency license denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a

monetary penalty or fine to, another state or jurisdiction;

(ix) has misrepresented the terms of any actual or proposed insurance contract;

(x) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not such act or practice involves the business of insurance;

(xi) has improperly withheld, misappropriated, or converted to the licensee's or applicant's own use any money belonging to a policyholder, insurer, beneficiary, or other person; or

(xii) has forged another's name to any document whether or not the document relates to an application for insurance or a policy of insurance.

Subd. 2. [LICENSEES.] *If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring a licensee to show cause why any or all of the following should not occur: (1) the license revocation or suspension; (2) censuring of the licensee; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing on the matter, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the licensee fails to appear at a hearing after having been duly notified of it, the licensee shall be considered in default, and the proceeding may be determined against the licensee upon consideration of the order to show cause, the allegations of which may be considered to be true.*

Subd. 3. [APPLICANTS.] *Whenever it appears to the commissioner that a license application should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for the hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the person shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying application, the allegations of which may be considered to be true. All fees accompanying the application and appointment are considered earned and are not refundable.*

Subd. 4. [ACTIONS AGAINST LAPSED LICENSE.] *If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect, or*

impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 5. [NOTIFICATION OF ACTION TAKEN BY OTHER STATE.] *An insurance agent shall notify the commissioner within 30 days of any fine imposed on that agent by another state or of a suspension or revocation of license by the commissioner of commerce of this state or the commissioner of insurance of any other state.*

Subd. 6. [CONDITIONS FOR RELICENSURE.] *A revocation of a license shall prohibit the licensee from making a new application for a license for at least two years from the effective date of the revocation. Further, the commissioner shall, as a condition of reapplication, require the applicant to obtain a performance bond issued by an insurer authorized to transact business in this state in the amount of $20,000 or a greater amount the commissioner considers appropriate for the protection of citizens of this state in the event the commissioner grants the application. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, conditioned for the prompt payment to any aggrieved person entitled to payment of any amounts received by the licensee or to protect any aggrieved person from loss resulting from fraudulent, deceptive, dishonest, or other prohibited practices arising out of any transaction when the licensee was licensed or performed acts for which a license is required under this chapter. The bond shall remain operative for as long as that licensee is licensed. The bond required by this subdivision must provide coverage for all matters arising during the period of licensure.*

Sec. 14. [60K.12] [TAX CLEARANCE CERTIFICATE.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE OR RENEWAL OF LICENSE.] *In addition to the provisions of section 60K.11, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of $500 or more. The commissioner may issue or renew the license only if: (1) the commissioner of revenue issues a tax clearance certificate; and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance certificate to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.*

Subd. 2. [DEFINITIONS.] *For purposes of this section, the following terms have the meanings given them:*

(1) "taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes; and

(2) "delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

Subd. 3. [CONTESTED CASE HEARING.] *In lieu of the notice and hearing requirements of section 60K.11, when a licensee or applicant is required to obtain a clearance certificate under this section, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of*

administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

Subd. 4. [IDENTIFICATION REQUIRED.] *The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.*

Sec. 15. [60K.13] [SURRENDER, LOSS, OR DESTRUCTION OF LICENSE.]

Subdivision 1. [NOTIFICATION.] *The commissioner shall promptly notify the licensee and all appointing insurers, where applicable, of any suspension, revocation, or termination of the licensee's agent's license by the commissioner. Upon receipt of the notice of suspension or revocation of a license, the licensee shall immediately deliver it to the commissioner.*

Subd. 2. [RETURN OF LICENSE.] *An agent whose resident or nonresident license is terminated, as provided in section 60K.11, shall deliver the terminated license to the commissioner by personal delivery or by mail within 30 days after the date of termination.*

Subd. 3. [DUPLICATE LICENSE.] *The commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this section upon an affidavit of the licensee concerning the facts of the loss, theft, or destruction, and the payment of a fee of $3 by money order or cashier's check payable to the state treasurer.*

Sec. 16. [60K.14] [PROHIBITED ACTS.]

Subdivision 1. [PERSONAL SOLICITATION OF INSURANCE SALES.] *(a)* [DEFINITIONS.] *For the purposes of this section, the following terms have the meanings given them:*

(1) "agent" means a person, copartnership, or corporation required to be licensed pursuant to section 60K.02; and

(2) "personal solicitation" means any contact by an agent, or any person acting on behalf of an agent, made for the purpose of selling or attempting to sell insurance, when either the agent or a person acting for the agent contacts the buyer by telephone or in person, except: (i) an attempted sale in which the buyer personally knows the identity of the agent, the name of the general agency, if any, which the agent represents, and the fact that the agent is an insurance agent; (ii) an attempted sale in which the prospective purchaser of insurance initiated the contact; or (iii) a personal contact which takes place at the agent's place of business.

(b) [DISCLOSURE REQUIREMENT.] *Before a personal solicitation, the agent or person acting for an agent shall, at the time of initial personal contact or communication with the potential buyer, clearly and expressly disclose:*

(1) the name of the person making the contact or communication;

(2) the name of the agent, general agency, or insurer that person represents; and

(3) the fact that the agent, agency, or insurer is in the business of selling insurance.

(c) [FALSE REPRESENTATION OF GOVERNMENT AFFILIATION.] *No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency.*

Subd. 2. [FEES FOR SERVICES.] *No person shall charge a fee for any services rendered in connection with the solicitation, negotiation, or servicing of any insurance contract unless:*

(1) before rendering the services, a written statement is provided disclosing:

(i) the services for which fees are charged;

(ii) the amount of the fees;

(iii) that the fees are charged in addition to premiums; and

(iv) that premiums include a commission; and

(2) all fees charged are reasonable in relation to the services rendered.

Subd. 3. [COMMISSIONS OR COMPENSATION.] *No commission or other compensation shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent. This subdivision does not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.*

Subd. 4. [SUITABILITY OF INSURANCE.] *In recommending the purchase of any life, endowment, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.*

Subd. 5. [PREMIUMS.] *All premiums or other money received by an agent from an insured or applicant for insurance must be forthwith deposited directly in a business checking, savings, or other similar account maintained by the agent or agency, unless the money is forwarded directly to the designated insurer.*

Subd. 6. [PRIVACY OF CLIENT.] *Except as otherwise provided by law, no insurance agent may disclose nor cause to be disclosed to any other person the identity of a person insured through the agent without the consent of the insured.*

Sec. 17. [60K.15] [INSURER'S AGENT.]

Any person who solicits insurance is the agent of the insurer and not the agent of the insured.

Sec. 18. [60K.16] [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.]

Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 19. [60K.17] [AGENTS: VARIABLE CONTRACTS.]

Subdivision 1. [LICENSE REQUIRED.] *No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner.*

Subd. 2. [EXCEPTIONS.] *(a) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.*

(b) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

Subd. 3. [RULES.] *The commissioner may by rule waive or modify any of the requirements in this section or prescribe additional requirements considered necessary for the proper sale and solicitation of contracts on a variable basis.*

Sec. 20. [60K.18] [ALTERING EXISTING POLICIES; WRITTEN BINDERS REQUIRED.]

An insurance agent having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver a written memorandum or binder containing the terms of the oral agreement to the insured within three business days from the time the oral agreement is entered.

Sec. 21. Minnesota Statutes 1990, section 62A.41, subdivision 4, is amended to read:

Subd. 4. [UNLICENSED SALES.] Notwithstanding section ~~60A.17~~ *60K.02*, subdivision 1, ~~paragraph (d),~~ a person who acts or assumes to act as an insurance agent without a valid license for the purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than $5,000 per violation.

Sec. 22. Minnesota Statutes 1990, section 62C.17, subdivision 5, is amended to read:

Subd. 5. A person shall not be qualified for a license if upon examination or reexamination it is determined that the person is incompetent to act as an agent or solicitor, if the person has acted in any manner which would disqualify a person to hold a license as an insurance agent or solicitor under ~~section 60A.17, subdivision 6~~ *sections 60K.01 to 60K.18*, or if the person fails to produce documents subpoenaed by the commissioner, or fails to appear at a hearing to which the person is a party or has been subpoenaed, if the production of documents or appearance is lawfully required.

Sec. 23. Minnesota Statutes 1990, section 62D.22, subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful rules thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*. Section ~~60A.17~~ *60K.03*, subdivision ~~1a~~ *2*, ~~paragraph (b)~~ shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

Sec. 24. Minnesota Statutes 1990, section 64B.33, is amended to read:

64B.33 [LICENSING OF AGENTS.]

Agents of societies shall be licensed in accordance with the provisions of ~~chapter~~ *chapters* 60A *and 60K* regulating the licensing, revocation, suspension, or termination of license of resident and nonresident agents, except as otherwise provided in section ~~60A.17, subdivision 1c~~ *60K.05*.

Sec. 25. Minnesota Statutes 1990, section 72A.07, is amended to read:

72A.07 [VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES.]

Any person, firm, or corporation violating, or failing to comply with, any of the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18* and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. Upon the filing of a complaint by the commissioner of commerce in a court of competent jurisdiction against any person violating

any provisions of this section, the county attorney of the county in which the violation occurred shall prosecute the person. Upon the conviction of any agent of any violation of the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*, the commissioner shall suspend the authority of the agent to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure an appointment, as required by ~~section 60A.17~~ *sections 60K.01 to 60K.18*, or allowing the agent to transact business for it within the state before an appointment has been procured, shall pay the commissioner, for the use of the state, a penalty of $25 for each offense. Each sale of an insurance policy by an agent who is not appointed by an insurance company shall constitute a separate offense, but no insurer shall be required to pay more than $300 in penalties as a result of the activities of a single unappointed agent. In the event of failure to pay a penalty within ten days after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance. Any action taken by the commissioner under this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 26. Minnesota Statutes 1990, section 72A.125, subdivision 2, is amended to read:

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 62A.02, taking into account the possible infrequency and severity of loss that may be incurred. Sections ~~60A.17 and~~ 60A.1701 *and 60K.01 to 60K.18* do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

(1) an appointment of the commissioner as agent for service of process;

(2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;

(3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.

An auto rental company failing to file the documents in clauses (1) to (3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after August 1, 1987, until they make the required filings. Each individual sale after August 1, 1987, and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a $200 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after August 1, 1987, without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has repeatedly violated the insurance laws of this state and the revocation is in the public interest.

Sec. 27. Minnesota Statutes 1990, section 72A.201, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) Adjuster or adjusters. "Adjuster" or "adjusters" is as defined in section 72B.02.

(2) Agent. "Agent" means insurance agents or insurance agencies licensed pursuant to ~~section 60A.17~~ *sections 60K.01 to 60K.18*, and representatives of these agents or agencies.

(3) Claim. "Claim" means a request or demand made with an insurer for the payment of funds or the provision of services under the terms of any policy, certificate, contract of insurance, binder, or other contracts of temporary insurance. The term does not include a claim under a health insurance policy made by a participating provider with an insurer in accordance with the participating provider's service agreement with the insurer which has been filed with the commissioner of commerce prior to its use.

(4) Claim settlement. "Claim settlement" means all activities of an insurer related directly or indirectly to the determination of the extent of liabilities due or potentially due under coverages afforded by the policy, and which result in claim payment, claim acceptance, compromise, or other disposition.

(5) Claimant. "Claimant" means any individual, corporation, association, partnership, or other legal entity asserting a claim against any individual, corporation, association, partnership, or other legal entity which is insured under an insurance policy or insurance contract of an insurer.

(6) Complaint. "Complaint" means a communication primarily expressing a grievance.

(7) Insurance policy. "Insurance policy" means any evidence of coverage issued by an insurer including all policies, contracts, certificates, riders, binders, and endorsements which provide or describe coverage. The term includes any contract issuing coverage under a self-insurance plan, group self-insurance plan, or joint self-insurance employee health plans.

(8) Insured. "Insured" means an individual, corporation, association, partnership, or other legal entity asserting a right to payment under their insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by the policy or contract. The term does not apply to a person who acquires rights under a mortgage.

(9) Insurer. "Insurer" includes any individual, corporation, association, partnership, reciprocal exchange, Lloyds, fraternal benefits society, self-insurer, surplus line insurer, self-insurance administrator, and nonprofit service plans under the jurisdiction of the department of commerce.

(10) Investigation. "Investigation" means a reasonable procedure adopted by an insurer to determine whether to accept or reject a claim.

(11) Notification of claim. "Notification of claim" means any communication to an insurer by a claimant or an insured which reasonably apprises the insurer of a claim brought under an insurance contract or policy issued by the insurer. Notification of claim to an agent of the insurer is notice to the insurer.

(12) Proof of loss. "Proof of loss" means the necessary documentation required from the insured to establish entitlement to payment under a policy.

(13) Self-insurance administrator. "Self-insurance administrator" means any vendor of risk management services or entities administering self-insurance plans, licensed pursuant to section 60A.23, subdivision 8.

(14) Self-insured or self-insurer. "Self-insured" or "self-insurer" means any entity authorized pursuant to section 65B.48, subdivision 3; chapter 62H; section 176.181, subdivision 2; Laws of Minnesota 1983, chapter 290, section 171; section 471.617; or section 471.981 and includes any entity which, for a fee, employs the services of vendors of risk management services in the administration of a self-insurance plan as defined by section 60A.23, subdivision 8, clause (2), subclauses (a) and (d).

Sec. 28. Minnesota Statutes 1990, section 270B.07, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections ~~60A.17~~ *60K.12*, 82.27, 147.091, 148.10, 150A.08, and 270.72.

Sec. 29. [REVISOR INSTRUCTION.]

(a) The revisor shall recodify Minnesota Statutes, section 60A.1701, as Minnesota Statutes, section 60K.19, and shall make the necessary cross-reference changes in Minnesota Statutes and Minnesota Rules.

(b) If a provision of Minnesota Statutes, chapter 60A, repealed by this article is also amended in the 1992 regular legislative session by other law, the revisor shall recodify the amendment to be part of the recodification, notwithstanding Minnesota Statutes, section 645.30.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Section 8 is effective for the licensing year beginning June 1, 1992.

ARTICLE 4

MISCELLANEOUS

Section 1. [45.0291]

Bonds issued under chapters 45 to 83, 309, 332, and sections 326.83 to 326.98, are not state bonds or contracts for purposes of sections 8.05 and 16B.06, subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 46.03, is amended to read:

46.03 [SEAL OF DEPARTMENT OF COMMERCE.]

The commissioner of commerce, in chapters 46 to 59, called the commissioner, shall devise a seal for official use, which shall continue to be the seal of the department of commerce. *The seal must be capable of being legibly reproduced under photographic methods.* A description of the seal~~: with an impression thereof~~, *and a copy of it,* shall be filed in the office of the secretary of state.

Sec. 3. [60A.085] [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.

Sec. 4. Minnesota Statutes 1990, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. 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 may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is $100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. *In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a fidelity bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.*

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

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

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

Sec. 5. Minnesota Statutes 1990, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy, *contract*, or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber, or enrollee, terminate, suspend, or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy, *contract*, or plan to the survivor or survivors until the earlier of the following dates:

(a) the date the surviving spouse becomes covered under another group health plan; or

(b) the date coverage would have terminated under the policy, *contract*, or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. *The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the insured, subscriber, or enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the coverage is provided under a group policy, *contract*, or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 6. Minnesota Statutes 1990, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly

basis, the cost of the continued coverage. *The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. If the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

Sec. 7. Minnesota Statutes 1990, section 62A.21, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the insured's former spouse becomes covered under any other group health plan; or

(b) the date coverage would otherwise terminate under the policy.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. *The policy must require the group policyholder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 8. [62A.285] [PROHIBITED UNDERWRITING; BREAST IMPLANTS.]

Subdivision 1. [SCOPE OF COVERAGE.] *This section applies to all policies of accident and health insurance regulated under this chapter, subscriber contracts offered by nonprofit health service plan corporations*

regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal benefit society regulated under chapter 64B. This section does not apply to policies, plans, certificates, or contracts payable on a fixed indemnity or nonexpense incurred basis, or policies, plans, certificates, or contracts that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] *No policy, plan, certificate, or contract referred to in subdivision 1 shall be issued or renewed to provide coverage to a Minnesota resident if it provides an exclusion, reduction, or other limitation as to coverage, deductible, coinsurance, or copayment applicable solely to conditions caused by breast implants.*

Subd. 3. [REFUSAL TO ISSUE OR RENEW.] *No issuer of a policy, plan, certificate, or contract referred to in subdivision 1 shall refuse to issue or renew at standard premium rates a policy, plan, certificate, or contract referred to in subdivision 1 solely because the prospective insured or enrollee has breast implants.*

Subd. 4. [EXCLUSION PERMITTED.] *A policy, plan, certificate, or contract referred to in subdivision 1 may limit or exclude coverage for conditions caused by breast implants, if the conditions were diagnosed prior to the date that coverage for the person begins.*

Sec. 9. Minnesota Statutes 1990, section 62C.142, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, shall contain a provision which permits continuation of coverage under the contract for the subscriber's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the subscriber to provide continued coverage for those persons. The coverage may be continued until the earlier of the following dates:

(a) the date of remarriage of either the subscriber or the subscriber's former spouse; or

(b) the date coverage would otherwise terminate under the subscriber contract.

The contract must require the group contract holder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1990, section 62D.101, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) the date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. *The contract must require the group contract holder to, upon request, provide the enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period.* In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Sec. 11. Minnesota Statutes 1991 Supplement, section 62E.10, subdivision 9, is amended to read:

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

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

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

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

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

Sec. 13. Minnesota Statutes 1990, section 65A.29, subdivision 11, is amended to read:

Subd. 11. [NONRENEWAL PLAN.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. A clear and concise written statement of this plan must be provided to the insured ~~at the time claim forms and instructions are provided to the insured or a claimant under section 72A.201, subdivision~~ 4 *when any future losses may result in nonrenewal of the policy*.

The plan must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner.

Sec. 14. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [CONVERSION FEES PROHIBITED.] *An issuer providing health coverage through conversion policies, plans, or contracts shall not impose a fee or charge, other than the premium, for issuing these policies, plans, or contracts.*

Sec. 15. Minnesota Statutes 1990, section 332.15, subdivision 4, is amended to read:

Subd. 4. [BOND.] Every applicant shall submit to the commissioner at the time of the application for a license, a surety bond ~~to be approved by the attorney general~~ in which the applicant shall be the obligor, in a sum to be determined by the commissioner but not less than $5,000, and in which an insurance company, which is duly authorized by the state of Minnesota to transact the business of fidelity and surety insurance, shall be a surety; provided, however, the commissioner may accept a deposit in cash, or securities such as may legally be purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond, such cash or securities to be deposited with the state treasurer. The commissioner may also require a fidelity bond in an appropriate amount covering employees of any applicant. Each branch office or additional place of business of an applicant shall be bonded as provided herein. In determining the bond amount necessary for the maintenance of any office be it surety, fidelity or both the commissioner shall consider the financial responsibility, experience, character and general fitness of the agency and its operators and owners; the volume of business handled or proposed to be handled; the location of the office and the geographical area served or proposed to be served; and such other information the commissioner may deem pertinent based upon past performance, previous examinations, annual reports and manner of business conducted in other states.

Sec. 16. Minnesota Statutes 1991 Supplement, section 332.55, is amended to read:

332.55 [BOND.]

A credit services organization must submit to the commissioner at the time of registration, a surety bond of $10,000 ~~to be approved by the attorney general~~ and in which an insurance company, which is authorized by the state of Minnesota to transact the business of fidelity and surety insurance, is a surety. The credit services organization must be the obligor. The bond must benefit the state of Minnesota and any person who may have a cause of action against the obligor arising out of the obligor's activities as a credit

services organization. The commissioner may accept a deposit in cash, or securities that may be legally purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the state treasurer.

Sec. 17. Minnesota Statutes 1991 Supplement, section 345.485, is amended to read:

345.485 [*RECOVERY OF* PROPERTY ~~IN OTHER STATES~~ *BY OTHERS.*]

The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. *The commissioner may request that another person or entity make a demand or bring an action to recover unclaimed property in this state in the name of the commissioner.* This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.

Sec. 18. [MINIMUM LOSS RATIO STUDY.]

The commissioner of commerce shall study the effect of minimum loss ratios required under Minnesota Statutes, section 62A.135, and report to the legislature by January 31, 1993.

Sec. 19. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 5

Section 1. Minnesota Statutes 1990, section 62B.07, is amended by adding a subdivision to read:

Subd. 8. [ANNUAL REPORT.] *Each insurer that sold insurance regulated under this chapter in this state or to a Minnesota resident during the preceding calendar year shall file, as a supplement to its annual statement, a report covering that calendar year. The report must include the following data for coverage regulated by this chapter and sold in this state or to a Minnesota resident, all shown separately for each rate for each policy form or certificate form used for credit insurance regulated under chapter 62B:*

(1) claims incurred;

(2) premiums earned;

(3) expenses other than claims;

(4) the data described in clauses (1), (2), and (3), shown separately for policies sold at each premium rate used by the insurer;

(5) a statement as to whether the insurer applies or has applied underwriting criteria to coverage sold under this chapter, a description of any such criteria and the specific policies or certificates to which the criteria are applied;

(6) information as to the compensation paid in regard to the sale of credit insurance regulated under chapter 62B as follows:

(i) the name and address of each person or company to whom compensation

was paid;

(ii) the total compensation paid to each person or company; and

(iii) the total premiums written by each person or company for which the compensation in clause (2) was paid; and

(7) any other information requested by the commissioner.

For purposes of this section, "compensation" includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, dividends, experience refunds, retrospective commissions, finder's fees, and increased or decreased prices for other transactions with the insurer.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for the annual report due after January 1, 1993."

Delete the title and insert:

"A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; regulating annual reports on credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 46.03; 48.185, subdivision 7; 59A.08, subdivisions 1 and 4; 59A.11, subdivision 4; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivisions 1 and 10; 60A.12, subdivision 4; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.23, subdivision 8; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 61A.011, by adding a subdivision; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.07, by adding a subdivision; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65A.29, subdivision 11; 65B.133, subdivision 4; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivisions 23, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; 332.15, subdivision 4; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.201, subdivision 8; 82B.15, subdivision 3; 332.55; and 345.485; Laws 1991, chapter 233, section 111; proposing

coding for new law in Minnesota Statutes, chapters 45; 60A; 62A; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13, subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Ted Winter, Jerry Knickerbocker

Senate Conferees: (Signed) Sam G. Solon, Allan H. Spear, William V. Belanger, Jr.

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1681 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1681 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1644: A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws; prohibiting certain methods of authorizing electronic fund transfers from consumer accounts; amending Minnesota Statutes 1990, sections 336.1-201; 336.1-207; 336.4-101; 336.4-102; 336.4-103; 336.4-104; 336.4-105; 336.4-106; 336.4-107; 336.4-108; 336.4-201; 336.4-202; 336.4-203; 336.4-204; 336.4-205; 336.4-206; 336.4-207; 336.4-208;

336.4-209; 336.4-210; 336.4-211; 336.4-212; 336.4-213; 336.4-214; 336.4-301; 336.4-302; 336.4-303; 336.4-401; 336.4-402; 336.4-403; 336.4-404; 336.4-405; 336.4-406; 336.4-407; 336.4-501; 336.4-502; 336.4-503; and 336.4-504; proposing coding for new law in Minnesota Statutes, chapters 325G; and 336; repealing Minnesota Statutes 1990, sections 336.3-101 to 336.3-805; and 336.4-109.

Senate File No. 1644 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 1644 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1644 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Beckman moved that the name of Mr. Davis be added as a co-author to S.F. No. 1524. The motion prevailed.

CONFIRMATION

Mr. Metzen moved that the report from the Committee on Economic Development and Housing, reported March 4, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Metzen moved that the foregoing report be now adopted. The motion prevailed.

Mr. Metzen moved that in accordance with the report from the Committee on Economic Development and Housing, reported March 4, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA HOUSING FINANCE AGENCY
COMMISSIONER

James J. Solem, 1975 Autumn Street, Falcon Heights, Ramsey County, Minnesota, effective September 26, 1991, for a term expiring on the first Monday in January, 1995.

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2432: A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; and 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209.

Senate File No. 2432 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 2432 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2432 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chmielewski	Dicklich	Finn	Johnson, D.J.	Johnson, J.B.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2848, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2848 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2848

A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2848, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2848 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [RATIFICATIONS.]

Subdivision 1. [COUNCIL 6.] *The labor agreement between the state of Minnesota and state bargaining units 2, 3, 4, 6, and 7, represented by the American Federation of State, County, and Municipal Employees, Council*

6, approved by the legislative commission on employee relations on July 30, 1991, is ratified.

Subd. 2. [COUNCIL 6.] *The labor agreement between the state of Minnesota and state bargaining unit 8, represented by the American Federation of State, County, and Municipal Employees, Council 6, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 3. [PROFESSIONAL EMPLOYEES.] *The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 4. [SUPERVISORS.] *The labor agreement between the state of Minnesota and the Middle Management Association, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 5. [ENGINEERS.] *The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 6. [MANAGERIAL PLAN.] *The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 7. [COMMISSIONER'S PLAN.] *The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.*

Subd. 8. [SPECIAL TEACHERS.] *The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the legislative commission on employee relations on November 19, 1991, is ratified.*

Subd. 9. [UNCLASSIFIED EMPLOYEES; HIGHER EDUCATION COORDINATING BOARD.] *The plan for unclassified employees of the higher education coordinating board, as approved by the department of employee relations on November 14, 1991, and by the legislative commission on employee relations on November 19, 1991, is ratified.*

Subd. 10. [NURSES.] *The labor agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 11. [COMMUNITY COLLEGE FACULTY.] *The labor agreement between the state of Minnesota and the Minnesota Community College Faculty Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 12. [UNCLASSIFIED EMPLOYEES, COMMUNITY COLLEGE SYSTEM.] *The plan for unclassified employees of the community college system, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 6, 1992, is ratified.*

Subd. 13. [UNCLASSIFIED EMPLOYEES; TECHNICAL COLLEGE BOARD.] *The plan for unclassified employees of the technical college board, as approved by the department of employee relations on November 14, 1991, and by the legislative commission on employee relations on January 16,*

1992, is ratified.

Subd. 14. [ADMINISTRATIVE LAW JUDGES; OFFICE OF ADMINISTRATIVE HEARINGS.] *The plan for administrative law judges of the office of administrative hearings, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 15. [CHANCELLOR; TECHNICAL COLLEGE SYSTEM.] *The salary for the chancellor of the technical college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 16. [CHANCELLOR; COMMUNITY COLLEGE SYSTEM.] *The salary for the chancellor of the community college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 17. [DIRECTOR; HIGHER EDUCATION COORDINATING BOARD.] *The salary for the director of the higher education coordinating board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 18. [CHANCELLOR; HIGHER EDUCATION BOARD.] *The salary for the chancellor of the higher education board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.*

Subd. 19. [STATE UNIVERSITY FACULTY.] *The labor agreement between the state of Minnesota and the inter-faculty organization, approved by the legislative commission on employee relations on March 9, 1992, is ratified.*

Subd. 20. [STATE UNIVERSITY ADMINISTRATIVE UNIT.] *The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative commission on employee relations on March 9, 1992, is ratified.*

Subd. 21. [STATE UNIVERSITY UNREPRESENTED EMPLOYEES PLAN.] *The plan for unrepresented employees of the state university system, as approved by the department of employee relations on March 9, 1992, and by the legislative commission on employee relations on March 9, 1992, is ratified.*

Sec. 2. [INTERIM APPROVAL.]

After adjournment of the 1992 session, but before the 1993 session of the legislature, the legislative commission on employee relations may give interim approval to any negotiated agreement, arbitration award, salary, or compensation plan submitted to it under other law. The commission shall submit the agreement, award, salary, or plan to the entire legislature for ratification in the same manner and with the same effect as provided for agreements, awards, salaries, and plans submitted after adjournment of the legislature in an odd-numbered year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. [REPORT ON QUASI-STATE AGENCY HEADS.]

The commissioner of employee relations shall evaluate and submit a report to the chair of the legislative commission on employee relations and the chairs of the house and senate governmental operations committees on the appropriate salary ranges for the director of the state high school league. The report must include an analysis of the policy implications and appropriateness of establishing salary ranges for agency heads and employees of quasi-state agencies. This report must be submitted by December 15, 1992.

ARTICLE 3

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. The supreme court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed the salary of a district court judge. If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. The salaries of the district administrators of the second, fourth, and sixth judicial districts may be supplemented by the appropriate county board in an amount not to exceed $10,000 per year. The salary supplement may be made effective only until January 1, 1988. The salary of the state public defender shall be 95 percent of the salary of the attorney general.

	Salary or Range Effective July 1, ~~1987~~ *1992*
Board on judicial standards executive director	~~$34,000-$48,000~~ *$44,000-$60,000*

Sec. 2. Minnesota Statutes 1990, section 21.85, subdivision 2, is amended to read:

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 21.80 to 21.92, ~~none of whom, except those~~ who ~~are employed on a regular full-time basis,~~ shall ~~come within or~~ be governed by chapter 43A. ~~The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.~~

Sec. 3. Minnesota Statutes 1991 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a *and in the office of strategic and long-range planning*;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, ~~examiners,~~ and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(16) student workers;

(17) ~~one position in the hazardous substance notification and response activity in the department of public safety~~ *executive directors or executive*

secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 4. Minnesota Statutes 1991 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities *for the following agencies* may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; ~~gaming;~~ health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, ~~state planning,~~ and pollution control agencies; the state lottery division; the state board of investment; the office of waste management; the offices of the attorney general, secretary of state, state auditor, and state treasurer; the state board of technical colleges; the higher education coordinating board; the Minnesota center for arts education; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, *the employing statutory board or commission*, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 5. Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES.] The director may appoint other personnel as necessary to operate the state lottery. ~~All professional employees as defined~~

~~in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service~~ *in accordance with chapter 43A*. At least one position in the division must be an attorney position and the director shall employ in that position an attorney to perform legal services for the division.

Sec. 6. [CLASSIFICATION OF CERTAIN POSITIONS.]

Notwithstanding Laws 1987, chapter 404, section 26, subdivision 6, professional positions associated with the outdoor recreation program in the department of trade and economic development that do not meet the criteria established in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, are in the classified service.

Sec. 7. [TRANSFER OF INCUMBENT EMPLOYEES.]

Employees who, on the effective date of this section, hold or are on leave from positions that are transferred to the classified service are appointed to the classified civil service without competitive or qualifying examination. The commissioner of employee relations shall place the employees in the proper classifications in the classified service. Each employee is appointed at no loss in salary or accrued leave benefits. An employee so appointed shall begin on the effective date of this act to serve a probationary period appropriate to the class of their position.

Sec. 8. [RETIREMENT PLANS.]

A person who on the day before the effective date of this section is a participant in the state unclassified employees retirement program and whose position is placed in the classified service under this article or as a result of a plan required by Laws 1991, chapter 238, article 1, section 20 or 21, may elect to maintain membership in the unclassified program as long as the person holds the position or a position in a higher class in the same agency. When an unclassified position that entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position, and to the director of the Minnesota state retirement system. The notice must state the incumbent's option under this section. A person eligible to maintain membership in the unclassified plan must notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the commissioner sends the notice stating that the position has been placed in the classified service. A person who does not send notice is deemed to have waived the right to remain in the unclassified plan.

Sec. 9. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the board of judicial standards, to be added to the appropriation in Laws 1991, chapter 345, article 1, section 6, for fiscal year 1993."

Delete the title and insert:

"A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; requiring a report to the legislature; raising the salary range for the executive director of the board on judicial standards; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 4; 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Leo J. Reding, Jerry Knickerbocker, Phyllis Kahn

Senate Conferees: (Signed) Gene Waldorf, Carol Flynn, Nancy Brataas

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2848 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2848 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2199 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2199

A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments

and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2199, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2199 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. ~~The commissioner shall apply weighting factors to the recycled content and recyclability criteria in order to give a preferential treatment to those criteria. State agencies shall purchase recycled materials when specifications allow the practical use of the recycled materials and the price does not exceed the price of nonrecycled materials by more than ten percent. If possible, state agencies should purchase materials recycled from waste generated in this state.~~ *When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.*

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under

delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16B.122, subdivision 2, is amended to read:

Subd. 2. [PURCHASES; PRINTING.] (a) Whenever practicable, a public entity shall:

(1) purchase uncoated office paper and printing paper;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use soy-based inks; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state ~~resources~~ *resource* recovery program.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent ~~fiber that has been recycled after use by a consumer~~ *postconsumer material*.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

Sec. 3. [16B.123] [PACKING MATERIALS.]

Whenever technically feasible, a public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this section, "packing material" means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

Sec. 4. Minnesota Statutes 1991 Supplement, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to improve waste management in the state to serve the following purposes:

(1) Reduction in *the amount and toxicity of* waste generated;

(2) Separation and recovery of materials and energy from waste;

(3) Reduction in indiscriminate dependence on disposal of waste;

(4) Coordination of solid waste management among political subdivisions;

and

(5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The following waste management practices are in order of preference:

(1) waste reduction and reuse;

(2) waste recycling;

(3) composting of yard waste and food waste;

(4) resource recovery through mixed municipal solid waste composting or incineration; and

(5) land disposal.

Sec. 5. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 6a. [COMMISSIONER.] *"Commissioner" means the commissioner of the pollution control agency.*

Sec. 6. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 24b. [POSTCONSUMER MATERIAL.] *"Postconsumer material" means a finished material that would normally be discarded as a solid waste having completed its life cycle as a consumer item.*

Sec. 7. Minnesota Statutes 1990, section 115A.03, subdivision 36a, is amended to read:

Subd. 36a. [WASTE REDUCTION; *SOURCE REDUCTION.*] "Waste reduction" *or "source reduction"* means an activity that prevents generation of waste *or the inclusion of toxic materials in waste,* including*:*

(1) reusing a product in its original form~~,~~*;*

(2) increasing the life span of a product~~,~~*;*

(3) reducing material *or the toxicity of material* used in production or packaging~~,~~*;* or

(4) changing procurement, consumption, or waste generation habits to result in smaller quantities *or lower toxicity* of waste generated.

Sec. 8. [115A.034] [ENFORCEMENT.]

Chapter 115A may be enforced under section 116.072.

Sec. 9. Minnesota Statutes 1990, section 115A.07, is amended by adding a subdivision to read:

Subd. 3. [UNIFORM WASTE STATISTICS; RULES.] *The director, after consulting with the commissioner, the metropolitan council, local government units, and other interested persons, may adopt rules to establish uniform methods for collecting and reporting waste reduction, generation, collection, transportation, storage, recycling, processing, and disposal statistics necessary for proper waste management and for reporting required by law. Prior to publishing proposed rules, the director shall submit draft*

rules to the legislative commission on waste management for review and comment. Rules adopted under this subdivision apply to all persons and units of government in the state for the purpose of collecting and reporting waste-related statistics requested under or required by law.

Sec. 10. Minnesota Statutes 1991 Supplement, section 115A.15, subdivision 9, is amended to read:

Subd. 9. [RECYCLING GOAL.] By December 31, 1993, the commissioner shall recycle at least 40 percent by weight of the solid waste generated by state offices and other state operations located in the metropolitan area. By ~~August~~ *March* 1 of each year the commissioner shall report to the office and the metropolitan council the *estimated* recycling rates by county for state offices and other state operations in the metropolitan area for the previous ~~fiscal~~ *calendar* year. The office shall incorporate these figures into the reports submitted by the counties under section 115A.557, subdivision 3, to determine each county's progress toward the goal in section 115A.551, subdivision 2.

Each state agency in the metropolitan area shall work to meet the recycling goal individually. If the goal is not met by an agency, the commissioner shall notify that agency that the goal has not been met and the reasons the goal has not been met and shall provide information to the employees in the agency regarding recycling opportunities and expectations.

Sec. 11. Minnesota Statutes 1990, section 115A.32, is amended to read:

115A.32 [RULES.]

The ~~office~~ *board* shall promulgate rules pursuant to chapter 14 to govern its activities under sections 115A.32 to 115A.39. *For the purposes of sections 115A.32 to 115A.39, "board" means the environmental quality board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the director of the office of waste management.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 115A.411, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; PURPOSE.] The director with assistance from the commissioner shall prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be submitted by the director to the legislative commission on waste management by ~~November 15~~ *July 1* of each even-numbered year and may include reports required under sections 115A.551, subdivision 4, and 115A.557, subdivision 4.

Sec. 13. [115A.5501] [REDUCTION OF PACKAGING IN WASTE.]

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] *It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to solid waste composting, incineration, refuse derived fuel and disposal facilities by December 31, 1995, based on a reasonable estimate of the amount of packaging that was delivered to solid waste composting, incineration, and disposal facilities in calendar year 1992.*

Subd. 2. [MEASUREMENT; PROCEDURES.] *To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner and the chair of the metropolitan council, in consultation with the*

director, shall each conduct an annual four-season solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative method that is as statistically reliable as a waste composition study to measure the percentage of packaging in the waste stream.

Beginning in 1993, the chair of the council shall submit the results from the metropolitan area to the commissioner by March 1 of each year. The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the director by April 1 of each year. The director shall report the information to the legislative commission on waste management by July 1 of each year.

Subd. 3. [FACILITY COOPERATION AND REPORTS.] *The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.*

Beginning in 1993, by February 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, information specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by April 1 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of $500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Subd. 4. [REPORT.] *The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By July 1, 1996, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal.*

Sec. 14. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. [SUPPLEMENTARY RECYCLING GOALS.] By ~~July~~ *December* 31, 1996, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 30 percent by weight of total solid waste generation;

(2) for a metropolitan county, 45 percent by weight of total solid waste generation.

Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other

law may be construed to prohibit a county from establishing a higher recycling goal. For the purposes of this subdivision "*recycle*" *and* "total solid waste generation" ~~has~~ *have* the ~~meaning~~ *meanings* given ~~it~~ *them* in subdivision 1, except that ~~it does not include~~ *neither includes* yard waste.

Sec. 15. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 4, is amended to read:

Subd. 4. [INTERIM MONITORING.] The office, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward meeting the recycling ~~goal~~ *goals* in ~~subdivision~~ *subdivisions* 2 *and 2a* and shall report to the legislative commission on waste management on the progress of the counties by November 15 of each year. If the office or the council finds that a county is not progressing toward the ~~goal~~ *goals* in ~~subdivision~~ *subdivisions* 2 *and 2a*, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the ~~goal~~ *goals*, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

In even-numbered years the progress report may be included in the solid waste management policy report required under section 115A.411.

Sec. 16. Minnesota Statutes 1990, section 115A.551, subdivision 5, is amended to read:

Subd. 5. [FAILURE TO MEET GOAL.] (a) A county failing to meet the interim goals in subdivision 3 shall, as a minimum:

(1) notify county residents of the failure to achieve the goal and why the goal was not achieved; and

(2) provide county residents with information on recycling programs offered by the county.

(b) If, based on the recycling monitoring described in subdivision 4, the office or the metropolitan council finds that a county will be unable to meet the recycling ~~goal~~ *goals* established in ~~subdivision~~ *subdivisions* 2 *and 2a*, the office or council shall, after consideration of the reasons for the county's inability to meet the ~~goal~~ *goals*, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the office or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the ~~goal~~ *goals*.

Sec. 17. Minnesota Statutes 1990, section 115A.557, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the office under this section, a county shall within one year of October 4, 1989:

(1) create a separate account in its general fund to credit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 115A.551,

subdivision 7, or 473.803, subdivision 1e, and a household hazardous waste management plan under section 115A.96, subdivision 6, by the dates specified in those provisions;

(2) submit a report by ~~August~~ *March* 1 of each year to the office detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous ~~fiscal~~ *calendar* year; and

(3) provide evidence to the office that local revenue equal to 25 percent of the money sought for distribution under this section will be spent for the purposes in subdivision 2.

(c) The office shall withhold all or part of the funds to be distributed to a county under this section if the county fails to comply with this subdivision and subdivision 2.

Sec. 18. [115A.56] [RECYCLED CONTENT; LABELS.]

A person may not label or otherwise indicate on a product or package for sale or distribution that the product or package contains recycled material unless the label or other indication states the minimum percentage of postconsumer material in the product or package:

(1) by weight for a finished nonpaper product or package; and

(2) by fiber content for a finished paper product or package.

For the purposes of this section "product" includes advertising materials and campaign material as defined in section 211B.01, subdivision 2.

Sec. 19. Minnesota Statutes 1990, section 115A.63, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS.] No waste district shall be established within the boundaries of the Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended. No waste district shall be established wholly within one county. The ~~office~~ *director* shall not establish a waste district within or extending into the metropolitan area, nor define or alter the powers or boundaries of a district, without the approval of the metropolitan council. The council shall not approve a district unless the articles of incorporation of the district require that the district will have the same procedural and substantive responsibilities, duties, and relationship to the metropolitan agencies as a metropolitan county. ~~The office shall not establish a district unless the petitioners demonstrate that they are unable to fulfill the purposes of a district through joint action under section 471.59.~~ The ~~office~~ *director* shall require the completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, by petitioners seeking to establish a district.

Sec. 20. Minnesota Statutes 1990, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the ~~mixed municipal~~ solid waste that is generated within its boundaries or any service area thereof be delivered to a processing or disposal facility identified by the district or county.

Sec. 21. Minnesota Statutes 1991 Supplement, section 115A.83, is amended to read:

115A.83 [~~EXEMPTION~~ *WASTES SUBJECT TO DESIGNATION;*

EXEMPTIONS.]

Subdivision 1. [APPLICATION.] *Designation applies to the following wastes:*

(1) mixed municipal solid waste; and

(2) other solid waste that prior to final processing or disposal:

(i) is not managed as a separate waste stream; or

(ii) is managed as a separate waste stream using a waste management practice that is ranked lower on the list of waste management practices in section 115A.02, paragraph (b), than the primary waste management practice that would be used on the waste at the designated facility.

Subd. 2. [EXEMPTION.] The designation may not apply to or include:

(1) materials that are separated from ~~mixed municipal~~ solid waste and recovered for reuse in their original form or for use in manufacturing processes;

(2) materials that are processed at a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority; ~~or~~

(3) materials that are separated at a permitted transfer station located within the boundaries of the designating authority for the purpose of recycling the materials if: (i) the transfer station was in operation on January 1, 1991; or (ii) the materials were not being separated for recycling at the designated facility at the time the transfer station began separation of the materials; *or*

(4) recyclable materials that are being recycled, and residuals from recycling if there is at least an 85 percent volume reduction in the solid waste processed at the recycling facility and the residuals are managed as separate waste streams.

For the purposes of this section, "manufacturing processes" does not include the treatment of waste after collection for the purpose of composting.

~~The exemptions in this section apply to only those materials separated from mixed municipal solid waste that are managed in a manner that is preferred over the primary management method of the designated facility under section 115A.02, paragraph (b).~~

Sec. 22. Minnesota Statutes 1990, section 115A.87, is amended to read:

115A.87 [JUDICIAL REVIEW.]

An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

In any action challenging a designation ordinance or the implementation of a designation ordinance, the person bringing the challenge shall notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste.

Sec. 23. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose

rechargeable batteries or products powered by ~~nonremovable~~ rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Sec. 24. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 5, is amended to read:

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision ~~3~~ *4*, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and products collected must be recycled or otherwise managed or disposed of properly.

Sec. 25. Minnesota Statutes 1991 Supplement, section 115A.93, subdivision 3, is amended to read:

Subd. 3. [LICENSE REQUIREMENTS; *PRICING BASED ON VOLUME OR WEIGHT.*] (a) A licensing authority shall require ~~that~~ *licensees to impose* charges for collection of mixed municipal solid waste ~~vary~~ *that increase* with the volume or weight of the waste collected.

(b) A licensing authority may impose requirements that are consistent with the county's solid waste policies as a condition of receiving and maintaining a license.

(c) A licensing authority shall prohibit mixed municipal solid waste collectors from imposing a greater charge on residents who recycle than on residents who do not recycle.

Sec. 26. Minnesota Statutes 1990, section 115A.93, is amended by adding a subdivision to read:

Subd. 3a. [VOLUME REQUIREMENT.] *A licensing authority that requires a pricing system based on volume instead of weight under subdivision 3 shall determine a base unit size for an average small quantity household generator and establish, or require the licensee to establish, a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.*

Sec. 27. [115A.9301] [SOLID WASTE COLLECTION; VOLUME- OR WEIGHT-BASED PRICING.]

Subdivision 1. [REQUIREMENT.] *A local government unit that collects charges for solid waste collection directly from waste generators shall implement charges that increase as the volume or weight of the waste collected on-site from each generator's residence or place of business increases.*

Subd. 2. [VOLUME REQUIREMENT.] *If a local government unit implements a pricing system based on volume instead of weight under subdivision 1, it shall determine a base unit size for an average small quantity household generator and establish a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.*

Sec. 28. Minnesota Statutes 1991 Supplement, section 115A.931, is amended to read:

115A.931 [YARD WASTE PROHIBITION.]

(a) Except as authorized by the agency, in the metropolitan area after January 1, 1990, and outside the metropolitan area after January 1, 1992, a person may not place yard waste:

(1) in mixed municipal solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility except for the purposes of *reuse*, composting, or co-composting.

(b) Yard waste subject to this subdivision ~~is~~ *includes* garden wastes, leaves, lawn cuttings, weeds, *shrub and tree waste*, and prunings.

Sec. 29. [115A.951] [TELEPHONE DIRECTORIES.]

Subdivision 1. [DEFINITION.] *For the purposes of this section, a "telephone directory" means a printed list of residential, governmental, or commercial telephone service subscribers or users, or a combination of subscribers or users, that contains more than 7,500 listings and is distributed to the subscribers or users.*

Subd. 2. [PROHIBITION.] *A person may not place a telephone directory:*

(1) in solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility, except a recycling facility.

Subd. 3. [RECYCLABILITY.] *A person may not distribute a telephone directory to any person in this state unless the telephone directory:*

(1) is printed on paper that is recyclable;

(2) is printed with inks that contain no heavy metals or other toxic materials; and

(3) is bound with materials that pose no unreasonable barriers to recycling of the directory.

Subd. 4. [COLLECTION OF USED DIRECTORIES.] *Each publisher or distributor of telephone directories shall:*

(1) provide for the collection and delivery to a recycler of waste telephone

directories;

(2) inform recipients of directories of the collection system; and

(3) submit a report to the office of waste management by August 1 of each year that specifies the percentage of distributed directories collected as waste directories by distribution area and the locations where the waste directories were delivered for recycling and that verifies that the directories have been recycled.

Sec. 30. Minnesota Statutes 1990, section 115A.981, is amended to read:

115A.981 [SOLID WASTE ~~DISPOSAL FACILITIES ANNUAL REPORTING~~ *MANAGEMENT; ECONOMIC STATUS AND OUTLOOK.*]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivision 2.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility ~~must:~~

~~(1)~~ *shall* submit an annual report to the ~~agency under section 115A.32;~~ *commissioner that includes:*

~~(2)~~ *(1)* ~~annually certify~~ *a certification* that ~~it~~ *the owner or operator* has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule *and specification of the financial assurance mechanism used, including the amount paid in or assured during the past year and the total amount of financial assurance accumulated to date*; and

~~(3)~~ *(2)* ~~file~~ a ~~fee~~ schedule ~~with the agency with the annual report.~~

~~(b) The fee schedule must list~~ *of fees charged by the facility for waste management, including* all tipping fees, rates, charges, surcharges, and any other fees charged ~~by~~ *to* each classification of customer.

(b) The agency may suspend the operation of a disposal facility whose permittee fails to file the information required under this subdivision. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the ~~agency~~ *commissioner*.

Subd. 3. [~~AGENCY~~ REPORT.] *(a)* The ~~agency~~ *commissioner* shall report to the legislative commission on waste management by July 1 of each *odd-numbered* year on the ~~viability~~ *economic status and outlook* of the state's *solid* waste ~~processing and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration,~~ *management sector including:*

(1) an estimate of the extent to which ~~existing fees~~ *prices* for ~~services are sufficient for facility development, engineering,~~ *solid waste management paid by consumers reflect costs related to* environmental and ~~safety factors, the progress of the industry in meeting the state's waste management goals,~~ *public health protection, including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices;*

(2) a discussion of how the market structure for solid waste management influences prices, considering:

(i) changes in the solid waste management market structure;

(ii) the relationship between public and private involvement in the market; and

(iii) the effect on market structures of waste management laws and rules; and

(3) any recommendations for ~~regulations~~ *strengthening or improving the market structure for solid waste management* to ensure protection of human health and the environment, *taking into account the preferred waste management practices listed in section 115A.02 and considering the experiences of other states.*

(b) In preparing the report, the ~~agency~~ *commissioner* shall*:*

(1) consult with the director; the metropolitan council; local government units; solid waste collectors, transporters, and processors; owners and operators of solid waste disposal facilities; and other interested persons;

(2) consider information received under subdivision 2*; and*

(3) analyze information gathered and comments received relating to the most recent solid waste management policy report prepared under section 115A.411.

The commissioner shall also recommend any legislation necessary to ensure adequate and reliable information needed for preparation of the report.

(c) If an action recommended by the commissioner under paragraph (a) would significantly affect the solid waste management market structure, the commissioner shall, in consultation with the entities listed in paragraph (b), clause (1), prepare and include in the report an analysis of the potential impacts and effectiveness of the action, including impacts on:

(1) the public and private waste management sectors;

(2) future innovation and responsiveness to new approaches to solid waste management; and

(3) the costs of waste management.

(d) The report must also include:

(1) statewide and facility by facility estimates of the total potential costs and liabilities associated with solid waste disposal facilities for closure and postclosure care, response costs under chapter 115B, and any other potential costs, liabilities, or financial responsibilities;

(2) statewide and facility by facility requirements for proof of financial responsibility under section 116.07, subdivision 4h; ~~and~~

~~(3) an annual update addressing how each facility is meeting its financial responsibility under section 116.07, subdivision 4h~~*, and how each facility is meeting those requirements.*

Sec. 31. Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating

life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules *and the requirements of paragraph (b)* is a condition of obtaining or retaining a permit to operate the facility.

(b) ~~The agency shall amend the rules adopted under paragraph (a) to allow~~ A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, ~~to~~ *may* meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility ~~through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds are needed for a contingency action, sufficient bonds can and will be issued by the municipality~~ *by pledging its full faith and credit* to meet its responsibility.

~~The rules must include at least~~ *The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements*:

(1) ~~a requirement that~~ The governing body of the municipality *shall* enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs ~~calculated under the rules;~~.

(2) ~~a requirement that~~ The municipality ~~assure~~ *shall require* that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means~~;~~.

(3) ~~a requirement that~~ When a municipality opts ~~under the rules~~ to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside ~~funds~~ *in a dedicated long-term care trust fund money* that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action~~; and~~. *The agency may not require a municipality to set aside more than five percent of the total cost in a single year.*

(4) ~~a requirement that~~ A municipality *shall* have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner

that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) ~~Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules.~~ The method for proving financial responsibility ~~developed~~ under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

Sec. 32. Minnesota Statutes 1990, section 116.12, subdivision 2, is amended to read:

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] *(a)* Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

(b) The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee based on the quantity of wastes generated by the generator.

(c) If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a fee calculated as a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

(d) The agency may not impose a fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 33. Minnesota Statutes 1991 Supplement, section 116.90, is amended to read:

116.90 [REFUSE DERIVED FUEL.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) *"Agency" means the pollution control agency.*

(c) "Minor modification" means a physical or operational change that does not increase the rated energy production capacity of a solid fuel fired boiler and which does not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

~~(c)~~ *(d)* "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

~~(d)~~ *(e)* "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

Subd. 2. [USE OF REFUSE DERIVED FUEL.] (a) Existing or new solid fuel fired boilers may utilize refuse derived fuel in an amount up to 30 percent by weight of the fuel feed stream under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler;

(3) the solid fuel fired boiler has a valid permit to operate; ~~and~~

(4) the refuse derived fuel *is manufactured and sold in compliance with permits issued by the agency and:*

(i) is produced by a facility for which a permit was issued by the agency before June 1, 1991; *or*

(ii) is produced by an agency-permitted facility designed as part of a regional waste management system at which facility the waste is mechanically and hand sorted to avoid inclusion of items containing mercury or other heavy metals in the waste that is processed into refuse derived fuel, and the refuse derived fuel producer has contracted with an end user to combust the fuel; and

(5) the owner or operator of the solid fuel fired boiler gives prior written notice to the commissioner of the agency of the amount of refuse derived fuel expected to be used and the date on which the use is expected to begin.

(b) A facility that produces refuse derived fuel that is sold for use in a solid fuel fired boiler may accept waste for processing only from counties that provide for the removal of household hazardous waste from the waste.

(c) The agency may not require, as a condition of using refuse derived fuel under this section, any additional monitoring or testing of a solid fuel fired boiler's air emissions beyond the monitoring or testing required by state or federal law or by the terms of the solid fuel fired boiler's permit issued by the agency.

Sec. 34. Minnesota Statutes 1991 Supplement, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

~~All~~ *(a) Except as provided in paragraph (b),* low-level radioactive waste ~~that~~ may *not* be treated, recycled, stored, or disposed of in this state ~~shall conform to applicable federal and state requirements~~ *except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste,* regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission ~~pursuant to~~ *under* a generic rule or standard adopted after ~~January 1~~ *July 2,* 1990.

(b) Paragraph (a) does not apply to treatment, recycling, storage, or disposal of low-level radioactive waste that is specifically authorized under a license issued by the United States Nuclear Regulatory Commission, or is otherwise authorized under regulations of the United States Nuclear Regulatory Commission in effect on July 2, 1990.

Sec. 35. Minnesota Statutes 1990, section 325E.125, subdivision 1, is amended to read:

Subdivision 1. [~~IDENTIFICATION~~ *LABELING.*] *(a)* The manufacturer of a button cell battery that is to be sold in this state shall ensure that each battery is *labeled to* clearly ~~identifiable as to~~ *identify for the final consumer of the battery* the type of electrode used in the battery.

(b) The manufacturer of a rechargeable battery that is to be sold in this state shall ensure that each rechargeable battery is labeled to clearly identify for the final consumer of the battery the type of electrode and the name of the manufacturer. The manufacturer of a rechargeable battery shall also provide clear instructions for properly recharging the battery.

Sec. 36. [325E.39] [SALE OF PETROLEUM-BASED SWEEPING COMPOUND PRODUCTS PROHIBITED.]

Subdivision 1. [PROHIBITION.] *A person may not offer for sale or sell any sweeping compound product that the person knows contains petroleum oil.*

Subd. 2. [LABELING.] *The manufacturer of sweeping compound that is to be sold in this state shall label the packaging for the compound to clearly indicate the type of oil contained in the compound.*

Subd. 3. [ENFORCEMENT.] *In addition to the enforcement mechanisms available for this chapter, the commissioner of the pollution control agency may enforce this section under section 116.072.*

Sec. 37. Minnesota Statutes 1990, section 400.08, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] *(a)* The rates and charges may be billed and collected in a manner the board shall determine.

(b) On or before October 15 in each year, the county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the

manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state.

(c) In addition to any other manner of collection that may be established under paragraph (a), a county may:

(1) require as a condition of a license issued under section 115A.93 that the licensee collect service charges established under subdivision 3 from solid waste generators for remittal to the county; and

(2) audit a licensed collector's records of the charges collected under clause (1) and the amount of waste collected only to the extent necessary to ensure that all charges required to be collected are remitted to the county.

Data received under clause (2) are private or nonpublic data as defined in section 13.02, subdivision 9 or 12.

Sec. 38. Minnesota Statutes 1990, section 400.08, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for ~~collection or disposal~~ *solid waste management services* that ~~vary depending on the~~ *increase as the weight or* volume of waste ~~generated~~ *increases*;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Sec. 39. Minnesota Statutes 1990, section 400.161, is amended to read:

400.161 [HAZARDOUS WASTE REGULATIONS.]

(a) The county may by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ *(1)* identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, transportation, processing, disposal, and storage of hazardous waste, ~~(d)~~ *and (4)* other matters as may be determined necessary for the public health, welfare and safety. The county may issue permits or licenses for hazardous waste generation and may require the generators be registered with a county office. The ordinance may require appropriate procedures for the payment by the generator of any costs incurred by the county in completing such procedures. If the generator fails to complete such procedures, the county may recover the costs of completion in a civil action in any court of competent jurisdiction or, in the discretion of the board, the costs may be certified to the county auditor as a special tax against the land as other taxes are collected. The ordinance may be enforced by injunction, action to compel performance, or other action in district court. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, modifying, imposing conditions

upon, or revoking permits or licenses and county hazardous waste regulations and ordinances shall be subject to review, denial, suspension, modification, and reversal by the pollution control agency. The pollution control agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, deny, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court as provided in section 115.05.

(b) A county may not impose a fee under this section on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 40. Minnesota Statutes 1990, section 473.811, subdivision 5b, is amended to read:

Subd. 5b. [ORDINANCES; HAZARDOUS WASTE MANAGEMENT.] *(a)* Each metropolitan county shall by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ *(1)* the identification of hazardous waste, ~~(b)~~ *(2)* the labeling and classification of hazardous waste, ~~(c)~~ *(3)* the collection, storage, transportation, processing, and disposal of hazardous waste, and ~~(d)~~ *(4)* other matters necessary for the public health, welfare and safety. The county shall require permits or licenses for the generation, collection, processing, and disposal of hazardous waste and shall require registration with a county office. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, suspending, modifying, imposing conditions upon, or revoking hazardous waste permits or licenses, and county hazardous waste regulations and ordinances, shall be subject to review, denial, suspension, modification, and reversal by the agency. The agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court in the manner provided in chapter 14.

(b) A metropolitan county may not impose a fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 41. Minnesota Statutes 1990, section 473.844, subdivision 4, is amended to read:

Subd. 4. [RESOURCE RECOVERY GRANTS AND LOANS.] The grant and loan program under this subdivision is administered by the metropolitan council. Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, and capital improvements. Grants and loans for planning may not exceed 50 percent of the planning costs. Grants and loans for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants and loans may be

made for public education on the need for the resource recovery projects. A grant or loan for land, equipment, or capital improvements may not be made until the metropolitan council has determined the total estimated capital cost of the project and ascertained that full financing of the project is assured. Grants and loans made to cities, counties, or solid waste management districts must be for projects that are in conformance with approved master plans. A grant or loan to a city or town must be reviewed and approved by the county for conformance with the county master plan. *The council shall require, where practical, cooperative purchase between cities, counties, and districts of capital equipment.*

Sec. 42. Minnesota Statutes 1991 Supplement, section 473.849, is amended to read:

473.849 [PROHIBITION; SOLID WASTE DISPOSAL.]

No person may place ~~processed or unprocessed mixed municipal~~, *or transport for placement,* solid waste that is generated in the metropolitan area in *a portion of* a disposal facility that does not comply with the minimum requirements for design, construction, and operation of a new ~~mixed municipal solid waste~~ disposal facility ~~under Minnesota Rules in effect on January 1, 1991~~ *for the type of solid waste being disposed.* Each metropolitan county shall, and each county in which is located a disposal facility may, enforce this prohibition and may impose penalties and recover attorney fees and court costs to the same extent as for enforcement of a designation ordinance under section 115A.86, subdivision 6. The commissioner of the pollution control agency may enforce this section under section 115.071 or 116.072.

Sec. 43. Laws 1991, chapter 337, section 90, is amended to read:

Sec. 90. [REPEALER.]

(a) Minnesota Statutes 1990, sections 16B.125; 115A.953; 325E.045; and 473.844, subdivision 3, are repealed. Laws 1989, chapter 325, section ~~71~~ *72*, subdivision 2, is repealed.

(b) Minnesota Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; 473.831; 473.833; and 473.840, are repealed.

Sec. 44. Laws 1990, chapter 600, section 7, is amended to read:

Sec. 7. [DUTIES OF THE ADVISORY TASK FORCE ON LOW-LEVEL RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on low-level radioactive waste deregulation shall:

(1) design and initiate a study that will be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including health, and environmental costs and effects, including both dollar and nondollar effects in both the long-term and the short-term;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study; and

(5) make a recommendation on continuation of the moratorium and other recommendations to the legislature by January 1, ~~1994~~ *1996*.

Sec. 45. [INTERIM ORGANIZED SOLID WASTE COLLECTION.]

(a) A city with a population, according to the 1990 federal census, of

more than 10,000 and less than 12,000 that, before the effective date of this section, has begun the process of organizing solid waste collection under Minnesota Statutes, section 115A.94, and that is a party to an exclusive contract for collection of solid waste that will expire before the new organized collection system will be effective, may:

(1) negotiate an extension of the existing exclusive contract to the date the new organized collection system will be effective;

(2) negotiate one or more separate waste collection contracts for the period between the expiration of the existing exclusive contract and the date the new organized collection system will be effective; or

(3) otherwise negotiate, with or without competitive bids, an interim waste collection system that may not be extended beyond the date the new organized collection system will be effective.

(b) This section does not affect the applicability of Minnesota Statutes, section 115A.94, to the city's new organized collection system.

Sec. 46. [AUTOMOBILE WASTE; STUDY AND RECOMMENDATIONS.]

The legislative commission on waste management, in consultation with the commissioner of the pollution control agency, the director of the office of waste management, and other interested persons, shall study the existing system for managing automobile-related wastes other than air emissions and, if necessary, recommend appropriate legislation for consideration during the 1993 legislative session to ensure that materials from automobiles that cause damage if released into the environment are properly removed and managed during maintenance and prior to recycling or disposal of the automobiles and to ensure that waste automobile hulks are properly recycled or disposed.

Sec. 47. [CONSTRUCTION DEBRIS AND NONHAZARDOUS INDUSTRIAL WASTE; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency shall gather information about construction debris and nonhazardous industrial waste, including composition, possibilities for source reduction, recyclability and recycling rates, processibility and processing rates, and existing disposal system. The commissioner shall summarize the information and present the summary to the legislative commission on waste management by August 15, 1993, including, if the commissioner determines that legislation is necessary to adequately regulate generation and management of construction debris or nonhazardous industrial waste, recommendations for appropriate legislation.

Sec. 48. [USED MOTOR OIL; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency, in consultation with the director of the office of waste management, shall identify locations for the retail sale of motor oil and locations for the deposit and collection of used motor oil across the state to determine the extent of compliance with Minnesota Statutes, section 325E.11, and to determine whether used oil is being properly managed. By August 15, 1993, the commissioner shall report to the legislative commission on waste management on compliance with the law, the general management system for used motor oil, and any appropriate recommendations for legislation to ensure that used motor oil is properly managed and that persons who generate used motor oil have reasonably

convenient opportunities for discarding the used oil.

Sec. 49. [ASSESSMENT OF REGIONAL WASTE MANAGEMENT NEEDS.]

By July 15, 1993, the director of the office of waste management, in consultation with, and after approval of metropolitan area information by, the chair of the metropolitan council, shall submit to the legislative commission on waste management a preliminary assessment of the need for additional regional solid waste management capacity in the state, including the metropolitan area. The preliminary assessment must be based on a review of existing county solid waste management plans, the current metropolitan solid waste management policy plan, and the current metropolitan counties' solid waste management master plans. The preliminary assessment of need for additional capacity must identify likely regions of the state, based on the current patterns for the flow and management of waste, within which the needs for capacity can be most efficiently and economically met. The assessment must be made in light of existing facilities and the waste management priorities and policies stated in Minnesota Statutes, section 115A.02, with strong emphasis given to the potential for significant improvements in waste reduction and recycling. The assessment must include estimates of the capital costs necessary to ensure sufficient solid waste management capacity for a period of at least 20 years, the extent to which fees and other existing financing methods can cover those costs, the extent to which those costs will need to be publicly subsidized, and the extent to which private investment is likely to occur in building and operating new capacity statewide.

Sec. 50. [DEGRADABLE LOOSE PACKING MATERIAL; STUDY.]

The director of the office of waste management, in consultation with the commissioner of agriculture, shall evaluate the relative economic, recycling, and waste management advantages and disadvantages of loose packing material manufactured from vegetable starches and loose packing material manufactured from petroleum products. The director shall report the findings of the evaluation, along with any legislative recommendations the director deems necessary, to the legislative commission on waste management by January 1, 1993.

Sec. 51. [ASSESSMENT OF LAND DISPOSAL FACILITIES.]

(a) For the purposes of this section, "facility" means a permitted mixed municipal solid waste disposal facility, as defined in Minnesota Statutes, section 115A.03.

(b) By October 9, 1994, the commissioner of the pollution control agency shall inspect all facilities and portions of facilities that have stopped accepting waste by October 9, 1993, to determine the status of closure activities and to evaluate the environmental and public health threats posed by the facility. The commissioner may undertake activities necessary to:

(1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) determine the boundaries of the fill areas.

(c) The commissioner of the pollution control agency shall identify actions

that are necessary to achieve compliance with the following closure requirements at facilities inspected under paragraph (b):

(1) for a facility or portion of a facility that stopped accepting waste before November 15, 1988, the closure requirements in rules of the pollution control agency in effect on the effective date of this section; and

(2) for a facility or portion of a facility that stopped accepting waste after November 15, 1988, the closure requirements in the facility's permit and the rules of the pollution control agency in effect on the effective date of this section.

Actions identified by the commissioner under this paragraph may include moving or consolidating waste from facilities.

(d) The commissioner of the pollution control agency shall establish a proposed priority list of the evaluated facilities based on the relative risk or danger to public health or welfare or the environment, taking into consideration to the extent possible the population at risk, the hazardous potential of substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, and other appropriate factors.

Sec. 52. [COUNTY RECYCLING; REPORT; 1991.]

For the reports due on August 1, 1992, under Minnesota Statutes, section 115A.557, subdivision 3, counties shall report recycling rates and information for calendar year 1991 rather than for the previous fiscal year.

Sec. 53. [EFFECTIVE DATE OF SECTION 325E.125.]

The requirements of Minnesota Statutes, section 325E.125, subdivision 1, do not apply to batteries manufactured before July 1, 1993.

Sec. 54. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "office," "office's," "director," and "director of the office of waste management" wherever they appear in Minnesota Statutes, sections 115A.32 to 115A.39, to "board," "board's," "chair," and "chair of the board" respectively in the 1992 and subsequent editions of Minnesota Statutes.

(b) The revisor of statutes is directed to change the words "November 15" to the words "July 1" in Minnesota Statutes, sections 115A.551, subdivision 4, and 115A.557, subdivision 4, in Minnesota Statutes 1992 and subsequent editions of the statutes.

Sec. 55. [EFFECTIVE DATE.]

Except as provided in this section, article 1 is effective August 1, 1992.

Sections 22, 31 to 34, 37 to 40, and 45 are effective the day following final enactment.

Section 43 is effective August 1, 1991.

Sections 12; 17; 24; 27, subdivision 1; 29, subdivision 3; and 36 are effective January 1, 1993, and section 36 applies to sweeping compound manufactured on or after that date.

Section 18 is effective for products and packaging manufactured on or after January 1, 1993.

Section 35 is effective July 1, 1993, and applies to batteries manufactured on or after that date.

Sections 3 and 29, subdivision 2, are effective August 1, 1993.

Sections 26 and 27, subdivision 2, are effective January 1, 1994.

Section 29, subdivision 4, clauses (1) and (2), are effective August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1991 Supplement, section 115E.04, subdivision 2, is amended to read:

Subd. 2. [TIMING.] *(a)* A person required to be prepared under section 115E.03, *other than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance,* shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 115E.05. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

(b) A person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance shall complete the response plan required by this section by January 1, 1994.

Sec. 2. [221.0335] [HAZARDOUS MATERIALS TRANSPORTATION REGISTRATION; FEES.]

A person required to file a registration statement under section 106(c) of the federal Hazardous Materials Transportation Safety Act of 1990 may not transport a hazardous material unless the person files an annual hazardous materials registration statement with the commissioner and pays a fee. The commissioner shall adopt rules to implement this section, including administration of the registration program and establishing registration fees. A fee may not exceed a person's annual registration fee under the federal act. Fees must be set in accordance with section 16A.128, subdivision 1a, to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 3 to 8. All fees collected under this section must be deposited in the general fund.

Sec. 3. [299A.47] [CITATION.]

Sections 3 to 8 may be cited as the "Minnesota hazardous materials incident response act."

Sec. 4. [299A.48] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *For the purposes of sections 3 to 8, the following terms have the meanings given them.*

Subd. 2. [CHEMICAL ASSESSMENT TEAM.] *"Chemical assessment team" means a team trained and equipped to evaluate a hazardous materials incident and recommend the best means of controlling the hazard after*

consideration of life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, availability of local resources, or other relevant factors.

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

Subd. 4. [HAZARDOUS MATERIALS.] *"Hazardous materials" means substances or materials that, because of their chemical, physical, or biological nature, pose a potential risk to life, health, or property if they are released. "Hazardous materials" includes any substance or material in a particular form or quantity that may pose an unreasonable risk to health, safety, and property, or any substance or material in a quantity or form that may be harmful to humans, animals, crops, water systems, or other elements of the environment if accidentally released. Hazardous substances so designated may include explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and flammable gases.*

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] *"Local unit of government" means a county, home rule charter or statutory city, or town.*

Subd. 6. [PERSON.] *"Person" means any individual, partnership, association, public or private corporation or other entity including the United States government, any interstate body, the state, and any agency, department, or political subdivision of the state.*

Subd. 7. [REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM.] *"Regional hazardous materials response team" means a team trained and equipped to respond to and mitigate a hazardous materials release. A regional hazardous materials response team may include strategically located chemical assessment teams.*

Sec. 5. [299A.49] [RESPONSE PLAN.]

Subdivision 1. [ELEMENTS OF PLAN; RULES.] *(a) After consultation with the commissioners of natural resources, agriculture, transportation, and the pollution control agency, the state fire marshal, the emergency response commission, appropriate technical emergency response representatives, and representatives of affected parties, the commissioner shall adopt rules to implement a statewide hazardous materials incident response plan. The plan must include:*

(1) the locations of up to five regional hazardous materials response teams, based on the location of hazardous materials, response time, proximity to large population centers, and other factors;

(2) the number and qualifications of members on each team;

(3) the responsibilities of regional hazardous materials response teams;

(4) equipment needed for regional hazardous materials response teams;

(5) procedures for selecting and contracting with local governments or nonpublic persons to establish regional hazardous materials response teams;

(6) procedures for dispatching teams at the request of local governments;

(7) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(8) coordination with other state departments and agencies, local units

of government, other states, Indian tribes, the federal government, and other nonpublic persons.

Subd. 2. [CONTRACTS AND AGREEMENTS.] *The commissioner may cooperate with and enter into contracts with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, or nonpublic persons to implement the response plan.*

Sec. 6. [299A.50] [LIABILITY AND WORKERS' COMPENSATION.]

Subdivision 1. [LIABILITY.] *During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are "employees of the state" as defined in section 3.736.*

Subd. 2. [WORKERS' COMPENSATION.] *During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are considered state employees for purposes of chapter 176.*

Subd. 3. [LIMITATION.] *A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's geographic jurisdiction or property, at the request of the state or a local unit of government, is not liable for any civil damages resulting from acts or omissions in providing the assistance, unless the person acts in a willful and wanton or reckless manner in providing the assistance.*

Sec. 7. [299A.51] [RESPONSIBLE PERSON.]

Subdivision 1. [RESPONSE LIABILITY.] *A responsible person, as described in section 115B.03, is liable for the reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident incurred by a regional hazardous materials response team or local unit of government. For the purposes of this section, "hazardous substance" as used in section 115B.03 means "hazardous material" as defined in section 4.*

Subd. 2. [EXPENSE RECOVERY.] *The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs.*

Subd. 3. [ATTEMPTED AVOIDANCE OF LIABILITY.] *For purposes of sections 3 to 8, a responsible person may not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.*

Sec. 8. [299K.095] [HAZARDOUS MATERIALS INCIDENT RESPONSE FEES.]

(a) Persons, except individuals engaged in a farming operation, required under section 11002 of the federal act to notify the commission of the storage of an extremely hazardous substance shall pay an annual fee of $75 for each facility.

(b) Persons required under section 11023 of the federal act to submit a toxic chemical release form to the commission shall pay an annual fee of $200 for zero releases and transfers annually, $400 for more than zero releases and transfers but not exceeding 25,000 pounds annually, and $800 for releases and transfers exceeding 25,000 pounds annually. This fee is in addition to fees collected under section 115D.12.

(c) All fees collected under this section must be deposited in the general fund.

Sec. 9. [APPROPRIATION.]

$115,000 is appropriated from the general fund to the commissioner of transportation for the purposes of section 2. The approved complement of the department of transportation is increased by two positions.

$1,128,000 is appropriated from the general fund to the commissioner of public safety for the purposes of sections 3 to 8. The approved complement of the department of public safety is increased by three positions."

Delete the title and insert:

"A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; authorizing the director of the office of waste management to establish rules for reporting waste statistics; setting a goal for reduction of packaging in the waste stream; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; prohibiting the use of petroleum-based sweeping compound products; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, degradable packing material, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; providing for the Minnesota hazardous materials incident response act; appropriating money; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.551, subdivision 5; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.551, subdivisions 2a and 4; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.93, subdivision 3; 115A.931; 115E.04, subdivision 2; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 221; 299A; 299K; and 325E."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gene Merriam, Steven Morse, Gen Olson

House Conferees: (Signed) Jean Wagenius, Tom Rukavina, Sidney Pauly

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2199 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2199 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2181, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2181 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2181

A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 363.03, subdivision 1; 388.23, subdivision 1; 609.168; 626.14; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.46, subdivision 2; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law

in Minnesota Statutes, chapters 13; 144; 299C; 357; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2181, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2181 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. ~~If the responsible authority is a state agency, the amount received is appropriated to the agency and added to the appropriations from which the costs were paid.~~ If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been

denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 10. [COSTS FOR PROVIDING COPIES OF DATA.] *Money collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid.*

Sec. 3. Minnesota Statutes 1990, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may

be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

Sec. 4. [13.99] [OTHER GOVERNMENT DATA PROVISIONS.]

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] *The laws enumerated in this section are codified outside of chapter 13 and classify government data as other than public or place restrictions on access to government data. The remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.*

Subd. 2. [DATA PROVIDED TO THE TAX STUDY COMMISSION.] *The commissioner of revenue shall provide data to the tax study commission under section 3.861, subdivision 6.*

Subd. 3. [LEGISLATIVE AUDIT DATA.] *Data relating to an audit performed under section 3.97 are classified under section 3.97, subdivision 11.*

Subd. 4. [ETHICAL PRACTICES BOARD INFORMATION.] *Disclosure by the ethical practices board of information about a complaint or investigation is governed by section 10A.02, subdivision 11.*

Subd. 5. [ETHICAL PRACTICES INVESTIGATION DATA.] *The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.*

Subd. 6. [REGISTER OF OWNERSHIP OF BONDS OR CERTIFICATES.] *Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11.*

Subd. 7. [PESTICIDE DEALER RECORDS.] *Records of pesticide dealers inspected or copied by the commissioner of agriculture are classified under section 18B.37, subdivision 5.*

Subd. 8. [DAIRY REPORTS TO COMMISSIONER OF AGRICULTURE.] *Disclosure of information in reports about dairy production required to be filed with the commissioner of agriculture under section 32.19 is governed by that section.*

Subd. 9. [FAMILY FARM SECURITY.] *Data received or prepared by the commissioner of agriculture regarding family farm security loans are classified in section 41.63.*

Subd. 10. [RURAL FINANCE AUTHORITY.] *Certain data received or prepared by the rural finance authority are classified pursuant to section 41B.211.*

Subd. 11. [WORLD TRADE CENTER.] *Certain data received or developed by the governing board of the Minnesota world trade center corporation are classified in section 44A.08.*

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] *The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions is governed by section 46.07, subdivision 2.*

Subd. 13. [COMMUNITY REINVESTMENT RATING.] *The contents and disclosure of the confidential section of the community reinvestment rating prepared by the commissioner of commerce are governed by section 47.84.*

Subd. 14. [EXAMINATION OF INSURANCE COMPANIES.] *Information obtained by the commissioner of commerce in the course of supervising or examining insurance companies is classified under section 60A.03, subdivision 9. An examination report of a domestic or foreign insurance company prepared by the commissioner is classified pursuant to section 60A.031, subdivision 4.*

Subd. 15. [INSURANCE COMPANY INFORMATION.] *Data received by the department of commerce under section 60A.93 are classified as provided by that section.*

Subd. 16. [PROCEEDING AND RECORDS IN SUMMARY PROCEEDINGS AGAINST INSURERS.] *Access to proceedings and records of summary proceedings by the commissioner of commerce against insurers and judicial review of such proceedings is governed by section 60B.14, subdivisions 1, 2, and 3.*

Subd. 17. [INSURANCE GUARANTY ASSOCIATION.] *The commissioner may share data with the board of the Minnesota Insurance Guaranty Association as provided by section 60C.14, subdivision 2.*

Subd. 18. [VARIOUS INSURANCE DATA.] *Disclosure of information obtained by the commissioner of commerce under section 60D.18, 60D.19, or 60D.20 is governed by section 60D.22.*

Subd. 19. [HMO EXAMINATIONS.] *Data obtained by the commissioner of health in the course of an examination of the affairs of a health maintenance organization are classified under section 62D.14, subdivisions 1 and 4.*

Subd. 20. [AUTO THEFT DATA.] *The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section 65B.81.*

Subd. 21. [SELF-INSURERS' SECURITY FUND.] *Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.*

Subd. 22. [ENVIRONMENTAL RESPONSE.] *Certain data obtained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.*

Subd. 23. [HAZARDOUS WASTE GENERATORS.] *Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.*

Subd. 24. [SOLID WASTE FACILITY RECORDS.] *Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.*

Subd. 25. [HAZARDOUS WASTE GENERATORS.] *Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.*

Subd. 26. [POLLUTION CONTROL AGENCY TESTS.] *Trade secret information made available by applicants for certain projects of the pollution control agency are classified under section 116.54.*

Subd. 27. [LOW-LEVEL RADIOACTIVE WASTE.] *Certain data given to the pollution control agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.*

Subd. 28. [STUDENT FINANCIAL AID.] *Data collected and used by the higher education coordinating board on applicants for financial assistance are classified under section 136A.162.*

Subd. 29. [RESTRICTIONS ON ACCESS TO ARCHIVES RECORDS.] *Limitations on access to records transferred to the state archives are provided in section 138.17, subdivision 1c.*

Subd. 30. [FOUNDLING REGISTRATION.] *The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.*

Subd. 31. [NEW CERTIFICATE OF BIRTH.] *In circumstances in which a new certificate of birth may be issued under section 144.218, the original certificate of birth is classified as provided in that section.*

Subd. 32. [BIRTH CERTIFICATE OF CHILD OF UNMARRIED PARENTS.] *Access to the birth certificate of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivision 2, and 257.73.*

Subd. 33. [HUMAN LEUKOCYTE ANTIGEN TYPE REGISTRY.] *Data identifying a person and the person's human leukocyte antigen type which is maintained by a government entity are classified under section 144.336, subdivision 1.*

Subd. 34. [HEALTH THREAT PROCEDURES.] *Data in a health directive issued by the commissioner of health or a board of health are classified in section 144.4186.*

Subd. 35. [CERTAIN HEALTH INSPECTIONS.] *Disclosure of certain data received by the commissioner of health under sections 144.50 to 144.56 is governed by section 144.58.*

Subd. 36. [CANCER SURVEILLANCE SYSTEM.] *Data on individuals collected by the cancer surveillance system are classified pursuant to section 144.69.*

Subd. 37. [MEDICAL MALPRACTICE CLAIMS REPORTS.] *Reports of medical malpractice claims submitted by an insurer to the commissioner of health under section 144.693 are classified as provided in section 144.693, subdivision 1.*

Subd. 38. [HEALTH TEST RESULTS.] *Health test results obtained under chapter 144 are classified under section 144.768.*

Subd. 39. [HOME CARE SERVICES.] *Certain data from providers of home care services given to the commissioner of health are classified under section 144A.47.*

Subd. 40. [TERMINATED PREGNANCIES.] *Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.*

Subd. 41. [REVIEW ORGANIZATION DATA.] *Disclosure of data and information acquired by a review organization as defined in section 145.61, subdivision 5, is governed by section 145.64.*

Subd. 42. [FAMILY PLANNING GRANTS.] *Information gathered under section 145.925 is classified under section 145.925, subdivision 6.*

Subd. 43. [PHYSICIAN INVESTIGATION RECORDS.] *Patient medical records provided to the board of medical examiners under section 147.131 are classified under that section.*

Subd. 44. [RECORD OF PHYSICIAN DISCIPLINARY ACTION.] *The administrative record of any disciplinary action taken by the board of medical examiners under sections 147.01 to 147.22 is sealed upon judicial review as provided in section 147.151.*

Subd. 45. [CHIROPRACTIC REVIEW RECORDS.] *Data of the board of chiropractic examiners and the peer review committee are classified under section 148.106, subdivision 10.*

Subd. 46. [DISCIPLINARY ACTION AGAINST NURSES.] *Data obtained under section 148.261, subdivision 5, by the board of nursing are classified under that subdivision.*

Subd. 47. [MEDICAL RECORDS OBTAINED BY BOARD OF NURSING.] *Medical records of a patient cared for by a nurse who is under review by the board of nursing are classified under sections 148.191, subdivision 2, and 148.265.*

Subd. 48. [RECORDS OF NURSE DISCIPLINARY ACTION.] *The administrative records of any disciplinary action taken by the board of nursing under sections 148.171 to 148.285 are sealed upon judicial review as provided in section 148.266.*

Subd. 49. [CLIENT RECORDS OBTAINED BY BOARDS ON MENTAL HEALTH AND SOCIAL WORK.] *Client records obtained by a board conducting an investigation under chapter 148B are classified by section 148B.09.*

Subd. 50. [RECORDS OF MENTAL HEALTH AND SOCIAL WORK DISCIPLINARY ACTION.] *The administrative records of disciplinary action taken by a board under chapter 148B are sealed upon judicial review as provided in section 148B.10.*

Subd. 51. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] *Certain data obtained by licensing boards under chapter 148B are classified under section 148B.175, subdivisions 2 and 5.*

Subd. 52. [RECORDS OF UNLICENSED MENTAL HEALTH PRACTITIONER DISCIPLINARY ACTIONS.] *The administrative records of disciplinary action taken by the commissioner of health pursuant to sections 148B.60 to 148B.71 are sealed upon judicial review as provided in section 148B.65.*

Subd. 53. [BOARD OF DENTISTRY.] *Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision.*

Subd. 54. [MOTOR VEHICLE REGISTRATION.] *The residence address of certain individuals provided to the commissioner of public safety for motor vehicle registrations is classified under section 168.346.*

Subd. 55. [DRIVERS' LICENSE PHOTOGRAPHS.] *Photographs taken by the commissioner of public safety for drivers' licenses are classified under section 171.07, subdivision 1a.*

Subd. 56. [DRIVERS' LICENSE ADDRESS.] *The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.*

Subd. 57. [ACCIDENT REPORTS.] *Release of accident reports provided to the department of public safety under section 169.09 is governed by section 169.09, subdivision 13.*

Subd. 58. [REPORTERS TO LABOR AND INDUSTRY.] *Disclosure of the names of certain persons supplying information to the department of labor and industry is prohibited by sections 175.24 and 175.27.*

Subd. 59. [REPORT OF DEATH OR INJURY TO LABOR AND INDUSTRY.] *Access to a report of worker injury or death during the course of employment filed by an employer under section 176.231 is governed by sections 176.231, subdivisions 8 and 9, and 176.234.*

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] *Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under section 182.659, subdivision 8.*

Subd. 61. [EMPLOYEE DRUG AND ALCOHOL TEST RESULTS.] *Test results and other information acquired in the drug and alcohol testing process, with respect to public sector employees and applicants, are classified by section 181.954, subdivision 2, and access to them is governed by section 181.954, subdivision 3.*

Subd. 62. [CERTAIN VETERANS BENEFITS.] *Access to files pertaining to claims for certain veterans benefits is governed by section 196.08.*

Subd. 63. [VETERANS SERVICE OFFICERS.] *Data maintained by veterans service officers are classified under section 197.603.*

Subd. 64. [HEALTH LICENSING BOARDS.] *Data received by health licensing boards from the commissioner of human services are classified under section 214.10, subdivision 8.*

Subd. 65. [COMMISSIONER OF PUBLIC SERVICE.] *Certain energy data maintained by the commissioner of public service are classified under section 216C.17, subdivision 4.*

Subd. 66. [MENTAL HEALTH RECORDS.] *Disclosure of the names and addresses of persons receiving mental health services is governed by section 245.467, subdivision 6.*

Subd. 67. [CHILDREN RECEIVING MENTAL HEALTH SERVICES.] *Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4887, and the identities of their families, is governed by section 245.4876, subdivision 7.*

Subd. 68. [MENTAL HEALTH CLINICS AND CENTERS.] *Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.*

Subd. 69. [STATE HOSPITAL PATIENTS.] *Contents of, and access to, records of state hospital patients required to be kept by the commissioner of human services are governed by section 246.13.*

Subd. 70. [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.] *Certain data received by the commissioner of human services from chemical dependency programs are classified under section 246.64, subdivision 4.*

Subd. 71. [RAMSEY HEALTH CARE.] *Data maintained by Ramsey Health Care, Inc., are classified under section 246A.17.*

Subd. 72. [PREPETITION SCREENING.] *Prepetition screening investigations for judicial commitments are classified as private under section 253B.07, subdivision 1, paragraph (b).*

Subd. 73. [SUBJECT OF RESEARCH; RECIPIENTS OF ALCOHOL OR DRUG ABUSE TREATMENT.] *Access to records of individuals who are the subject of research or who receive information, assessment, or treatment concerning alcohol or drug abuse is governed by section 254A.09.*

Subd. 74. [CHILD MORTALITY REVIEW PANEL.] *Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.*

Subd. 75. [RECORDS OF ARTIFICIAL INSEMINATION.] *Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her husband's consent is governed by section 257.56, subdivision 1.*

Subd. 76. [PARENTAGE ACTION RECORDS.] *Inspection of records in parentage actions held by the court, the commissioner of human services, or elsewhere is governed by section 257.70.*

Subd. 77. [COMMISSIONER'S RECORDS OF ADOPTION.] *Records of adoption held by the commissioner of human services are classified, and access to them is governed by section 259.46, subdivisions 1 and 3.*

Subd. 78. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE.] *Access to the original birth certificate of a person who has been adopted is governed by section 259.49.*

Subd. 79. [PEACE OFFICERS AND CORRECTIONS RECORDS OF JUVENILES.] *Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3.*

Subd. 80. [COMMISSIONER OF JOBS AND TRAINING.] *Data maintained by the commissioner of jobs and training are classified under section 268.12, subdivision 12.*

Subd. 81. [TRANSITIONAL HOUSING DATA.] *Certain data collected, used, or maintained by the recipient of a grant to provide transitional housing are classified under section 268.38, subdivision 9.*

Subd. 82. [EMERGENCY JOBS PROGRAM.] *Data maintained by the commissioner of public safety for the emergency jobs program are classified under section 268.673, subdivision 5.*

Subd. 83. [VOCATIONAL REHABILITATION DATA.] *Disclosure of data obtained by the commissioner of jobs and training regarding the vocational rehabilitation of an injured or disabled employee is governed by section 268A.05.*

Subd. 84. [REVENUE RECAPTURE ACT.] *Data maintained by the commissioner of revenue under the revenue recapture act are classified under section 270A.11.*

Subd. 85. [TAX DATA; CLASSIFICATION AND DISCLOSURE.] *Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 290, 290A, 291, or 297A are governed by chapter 270B.*

Subd. 86. [HOMESTEAD APPLICATIONS.] *The classification and disclosure of certain information collected to determine homestead classification is governed by section 273.124, subdivision 13.*

Subd. 87. [MOTOR VEHICLE REGISTRARS.] *Disclosure of certain information obtained by motor vehicle registrars is governed by section 297B.12.*

Subd. 88. [MARIJUANA AND CONTROLLED SUBSTANCE TAX INFORMATION.] *Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.*

Subd. 89. [MINERAL RIGHTS FILINGS.] *Data filed pursuant to section 298.48 with the commissioner of revenue by owners or lessees of mineral rights are classified under section 298.48, subdivision 4.*

Subd. 90. [UNDERCOVER BUY FUND.] *Records relating to applications for grants under section 299C.065 are classified under section 299C.065, subdivision 4.*

Subd. 91. [ARSON INVESTIGATIONS.] *Data maintained as part of arson investigations are governed by sections 299F.055 and 299F.056.*

Subd. 92. [OFFICE OF PIPELINE SAFETY.] *Data obtained by the director of the office of pipeline safety are classified under section 299J.13.*

Subd. 93. [HUMAN RIGHTS CONCILIATION EFFORTS.] *Disclosure of information concerning efforts in a particular case to resolve a charge through education conference, conciliation, and persuasion is governed by section 363.06, subdivision 6.*

Subd. 94. [HUMAN RIGHTS DEPARTMENT INVESTIGATIVE DATA.] *Access to human rights department investigative data by persons other than department employees is governed by section 363.061.*

Subd. 95. [RECORDS OF CLOSED COUNTY BOARD MEETINGS.] *Records of Hennepin county board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.*

Subd. 96. [INQUEST DATA.] *Certain data collected or created in the course of a coroner's or medical examiner's inquest are classified under sections 390.11, subdivision 7, and 390.32, subdivision 6.*

Subd. 97. [RURAL DEVELOPMENT FINANCING AUTHORITY.] *Treatment of preliminary information provided by the commissioner of trade and economic development to an authority contemplating the exercise of powers under sections 469.142 to 469.151 is governed by section 469.150.*

Subd. 98. [MUNICIPAL SELF-INSURER CLAIMS.] *Disclosure of information about individual claims filed by the employees of a municipality which is a self-insurer is governed by section 471.617, subdivision 5.*

Subd. 99. [METROPOLITAN SOLID WASTE LANDFILL FEE.] *Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.*

Subd. 100. [MUNICIPAL OBLIGATION REGISTER DATA.] *Information contained in a register with respect to the ownership of certain municipal obligations is classified under section 475.55, subdivision 6.*

Subd. 101. [CHILD CUSTODY PROCEEDINGS.] *Court records of child custody proceedings may be sealed as provided in section 518.168.*

Subd. 102. [FARMER-LENDER MEDIATION.] *Data on debtors and creditors under the farmer-lender mediation act are classified under section 583.29.*

Subd. 103. [SOURCES OF PRESENTENCE INVESTIGATION REPORTS.] *Disclosure of confidential sources in presentence investigation reports is governed by section 609.115, subdivision 4.*

Subd. 104. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES.] *Use of a motor vehicle in the commission of an offense under section 609.324 is noted on the offender's driving records and the notation is classified pursuant to section 609.324, subdivision 5.*

Subd. 105. [SEXUAL ASSAULT CRIME VICTIMS.] *Data on sexual assault victims are governed by section 609.3471.*

Subd. 106. [FINANCIAL DISCLOSURE FOR PUBLIC DEFENDER SERVICES.] *Disclosure of financial information provided by a defendant seeking public defender services is governed by section 611.17.*

Subd. 107. [CRIME VICTIM NOTICE OF RELEASE.] *Data on crime victims who request notice of an offender's release are classified under section 611A.06.*

Subd. 108. [BATTERED WOMEN.] *Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.*

Subd. 109. [CRIME VICTIM CLAIMS FOR REPARATIONS.] *Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.*

Subd. 110. [CRIME VICTIM OMBUDSMAN.] *Data maintained by the crime victim ombudsman are classified under section 611A.74, subdivision 2.*

Subd. 111. [REPORTS OF GUNSHOT WOUNDS.] *Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.*

Subd. 112. [CHILD ABUSE REPORT RECORDS.] *Data contained in child abuse report records are classified under section 626.556, subdivisions 11 and 11b.*

Subd. 113. [VULNERABLE ADULT REPORT RECORDS.] *Data contained in vulnerable adult report records are classified under section*

626.557, subdivision 12.

Subd. 114. [PEACE OFFICER DISCIPLINE PROCEDURES.] *Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.*

Sec. 5. [13C.01] [ACCESS TO CONSUMER REPORTS PREPARED BY CONSUMER REPORTING AGENCIES.]

Subdivision 1. [FEE FOR REPORT.] *(a) A consumer who is the subject of a credit report maintained by a credit reporting agency is entitled to request and receive by mail, for a charge not to exceed $8, a copy of the credit report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq., for that purpose. The credit reporting agency shall respond to a request under this subdivision within 30 days.*

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit report in order to confirm that the credit report was corrected.

(c) For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq.

Subd. 2. [ENFORCEMENT.] *This section may be enforced by the attorney general pursuant to section 8.31.*

Sec. 6. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [HIV TESTS; CRIME VICTIMS.] *No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal beneficiary association regulated under chapter 64B, may:*

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has had a test performed for the reason set forth in clause (1).

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is

expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1).

Sec. 7. Minnesota Statutes 1991 Supplement, section 144.0525, is amended to read:

144.0525 [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING; EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234 ~~and~~, 268.12, *and 270B.14, subdivision 11*, shall be used only for the purposes of epidemiologic investigations, *notification of persons exposed to health hazards as a result of employment*, and surveillance of occupational health and safety.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

Sec. 9. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. *Except as provided in paragraph (c),* a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) *Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:*

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, 1994, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

~~(d) A patient's consent to the release of data on the date and type of immunizations administered to the patient is effective until the patient directs otherwise. if the consent was executed before August 1, 1991.~~

Sec. 10. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 5. [COSTS.] *When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee. When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than 75 cents per page, plus $10 for time spent retrieving and copying the records, unless other law or a rule or contract provide for a lower maximum charge. This limitation does not apply to X-rays. The provider may charge a patient no*

more than the actual cost of reproducing X-rays, plus no more than $10 for the time spent retrieving and copying the X-rays.

The respective maximum charges of 75 cents per page and $10 for time provided in this subdivision are in effect for calendar year 1992 and may be adjusted annually each calendar year as provided in this subdivision. The permissible maximum charges shall change each year by an amount that reflects the change, as compared to the previous year, in the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), published by the department of labor.

Sec. 11. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 6. [VIOLATION.] *A violation of this section may be grounds for disciplinary action against a provider by the appropriate licensing board or agency.*

Sec. 12. [144.3351] [IMMUNIZATION DATA.]

Providers as defined in section 144.335, subdivision 1, elementary or secondary schools or child care facilities as defined in section 123.70, subdivision 9, public or private post-secondary educational institutions as defined in section 135A.14, subdivision 1, paragraph (b), a board of health as defined in section 145A.02, subdivision 2, community action agencies as defined in section 268.53, subdivision 1, and the commissioner of health may exchange data with one another, without the patient's consent, on the date and type of immunizations administered to a patient, regardless of the date of immunization, if the person requesting access provides services on behalf of the patient.

Sec. 13. Minnesota Statutes 1990, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of ~~such~~ *the* person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for ~~such~~ *the* violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against ~~such~~ *the* person and discharge the person from probation before the expiration of the maximum period prescribed for ~~such~~ *the* person's probation. If during the period of probation ~~such~~ *the* person does not violate any of the conditions of the probation, then upon expiration of ~~such~~ *the* period the court shall discharge ~~such~~ *the* person and dismiss the proceedings against that person. Discharge and dismissal ~~hereunder~~ *under this subdivision* shall be without court adjudication of guilt, but a ~~nonpublic~~ *not public* record ~~thereof~~ *of it* shall be retained by the department of public safety ~~solely~~ for the purpose of use by the courts in determining the merits of subsequent proceedings against ~~such~~ *the* person. *The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities,*

the department shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal ~~hereunder~~ *under this subdivision* to the department of public safety who shall make and maintain the ~~nonpublic~~ *not public* record ~~thereof~~ *of it* as ~~hereinbefore~~ provided *under this subdivision.* ~~Such~~ *The* discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 14. Minnesota Statutes 1990, section 242.31, is amended to read:

242.31 [RESTORATION OF CIVIL RIGHTS.]

Subdivision 1. Whenever a person who has been committed to the custody of the commissioner of corrections upon conviction of a crime following reference for prosecution under the provisions of section 260.125 is finally discharged by order of the commissioner, that discharge shall restore the person to all civil rights and, if so ordered by the commissioner of corrections, also shall have the effect of setting aside the conviction, nullifying ~~the same~~ *it* and ~~of~~ purging ~~that~~ *the* person ~~thereof~~ *of it*. The commissioner shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside.

Subd. 2. Whenever a person described in subdivision 1 has been placed on probation by the court pursuant to section 609.135 and, after satisfactory fulfillment ~~thereof~~ *of it*, is discharged from probation, the court shall issue an order of discharge pursuant to section 609.165. On application of the defendant or on its own motion and after notice to the county attorney, the court in its discretion may also order that the defendant's conviction be set aside with the same effect as ~~such an~~ *a court* order under subdivision 1.

These orders restore the defendant to civil rights and purge and free the defendant from all penalties and disabilities arising from the defendant's conviction and ~~it~~ *the conviction* shall not thereafter be used against the defendant, except in a criminal prosecution for a subsequent offense if otherwise admissible therein. *In addition, the record of the defendant's conviction shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the court or the department of public safety shall notify the requesting party of the existence of the sealed record and the right to seek a court order to open it pursuant to this section.*

Subd. 3. The commissioner of corrections shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside and all records pertinent to the conviction sealed. These records shall only be reopened in the case of a judicial criminal proceeding instituted at a later date *or upon court order, for purposes of a criminal investigation, prosecution, or sentencing, in the manner provided in subdivision 2.*

The term "records" includes, but is not limited to, all matters, files, documents and papers incident to the arrest, indictment, information, complaint, trial, appeal, dismissal and discharge, which relate to the conviction

for which the order was issued.

Sec. 15. Minnesota Statutes 1990, section 270B.14, is amended by adding a subdivision to read:

Subd. 11. [DISCLOSURE TO COMMISSIONER OF HEALTH.] *(a) On the request of the commissioner of health, the commissioner may disclose return information to the extent provided in paragraph (b) and for the purposes provided in paragraph (c).*

(b) Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.

(c) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

Sec. 16. Minnesota Statutes 1990, section 299C.11, is amended to read:

299C.11 [PRINTS, FURNISHED TO BUREAU BY SHERIFFS AND CHIEFS OF POLICE.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to sections 152.18, subdivision 1, 242.31, or 609.168.

Sec. 17. Minnesota Statutes 1990, section 299C.13, is amended to read:

299C.13 [INFORMATION AS TO CRIMINALS TO BE FURNISHED BY BUREAU TO PEACE OFFICERS.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the division, it shall be the duty of the bureau to furnish

all information in its possession pertaining to the identification of any person. *If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement.*

Sec. 18. [299C.60] [CITATION.]

Sections 18 to 22 may be cited as the "Minnesota child protection background check act."

Sec. 19. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] *The definitions in this section apply to sections 18 to 22.*

Subd. 2. [BACKGROUND CHECK CRIME.] *"Background check crime" includes child abuse crimes, murder, manslaughter, felony level assault or any assault crime committed against a minor, kidnapping, arson, criminal sexual conduct, and prostitution-related crimes.*

Subd. 3. [CHILD.] *"Child" means an individual under the age of 18.*

Subd. 4. [CHILD ABUSE CRIME.] *"Child abuse crime" means:*

(1) an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378; or

(2) a violation of section 152.021, subdivision 1, clause (4); 152.022, subdivision 1, clause (5) or (6); 152.023, subdivision 1, clause (3) or (4); 152.023, subdivision 2, clause (5) or (7); or 152.024, subdivision 1, clause (2), (3), or (4).

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] *"Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.*

Subd. 6. [CHILDREN'S SERVICE WORKER.] *"Children's service worker" means a person who has, may have, or seeks to have access to a child to whom the children's service provider provides children's services, and who:*

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider; or

(2) owns, operates, or seeks to own or operate a children's service provider.

Subd. 7. [CHILDREN'S SERVICES.] *"Children's services" means the provision of care, treatment, education, training, instruction, or recreation to children.*

Subd. 8. [CJIS.] *"CJIS" means the Minnesota criminal justice information system.*

Subd. 9. [SUPERINTENDENT.] *"Superintendent" means the superintendent of the bureau of criminal apprehension.*

Sec. 20. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] *The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.*

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] *The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:*

(1) a question asking whether the children's service worker has ever been convicted of a background check crime and if so, requiring a description of the crime and the particulars of the conviction;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 18 to 22. Background checks may be performed pursuant to this section not later than one year after the document is submitted under this section.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] *(a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).*

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker:

(i) for purposes of the children's service worker's application to be employed by, volunteer with, or be an owner of a children's service provider or for purposes of continuing as an employee, volunteer, or owner; and

(ii) to determine whether the children's service worker has been convicted of any crime specified in section 19, subdivision 2 or 4;

(2) the right to be informed by the children's service provider of the superintendent's response to the background check and to obtain from the children's service provider a copy of the background check report;

(3) the right to obtain from the superintendent any record that forms the basis for the report;

(4) the right to challenge the accuracy and completeness of any information contained in the report or record pursuant to section 13.04, subdivision 4;

(5) the right to be informed by the children's service provider if the children's service worker's application to be employed with, volunteer with, or be an owner of a children's service provider, or to continue as an employee, volunteer, or owner, has been denied because of the superintendent's response; and

(6) the right not to be required directly or indirectly to pay the cost of the background check.

Subd. 4. [RESPONSE OF BUREAU.] *The superintendent shall respond to a background check request within a reasonable time after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.*

Subd. 5. [NO DUTY.] *Sections 18 to 22 do not create a duty to perform a background check.*

Subd. 6. [ADMISSIBILITY OF EVIDENCE.] *Evidence or proof that a background check of a volunteer was not requested under sections 18 to 22 by a children's service provider is not admissible in evidence in any litigation against a nonprofit or charitable organization.*

Sec. 21. [299C.63] [EXCEPTION; OTHER LAWS.]

The superintendent is not required to respond to a background check request concerning a children's service worker who, as a condition of occupational licensure or employment, is subject to the background study requirements imposed by any statute or rule other than sections 18 to 22. A background check performed on a licensee, license applicant, or employment applicant under this section does not satisfy the requirements of any statute or rule other than sections 18 to 22, that provides for background study of members of an individual's particular occupation.

Sec. 22. [299C.64] [BCA IMMUNITY.]

The bureau of criminal apprehension is immune from any civil or criminal liability that might otherwise arise under sections 18 to 21, based on the accuracy or completeness of any records it receives from the Federal Bureau of Investigation, if the bureau acts in good faith.

Sec. 23. [357.315] [COST OF EXHIBITS AND MEDICAL RECORDS.]

The cost of obtaining medical records used to prepare a claim, whether or not offered at trial, and the reasonable cost of exhibits shall be allowed in the taxation of costs.

Sec. 24. Minnesota Statutes 1990, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority ~~in that county~~ to subpoena and require the production of any records of telephone companies, *cellular phone companies, paging companies*, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, *and records of the existence of safe deposit box account numbers and customer savings and checking*

account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 25. Minnesota Statutes 1990, section 609.168, is amended to read:

609.168 [EFFECT OF ORDER.]

Except as otherwise provided in this section, where an order is entered by the court setting aside the conviction the person shall be deemed not to have been previously convicted. An order setting aside a conviction for a crime of violence, as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the order was entered and during that time the person was not convicted of any other crime of violence. Any person who has received an order setting aside a conviction and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

The record of a conviction set aside under this section shall not be destroyed, but shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing.

Sec. 26. Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer *and to the closing of the account*;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a fee for furnishing this information to law enforcement or prosecuting authorities.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 27. [611A.19] [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] *(a) The sentencing court may issue an order requiring a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:*

(1) the prosecutor moves for the test order in camera;

(2) the victim requests the test; and

(3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] *The date and results of any test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.*

Sec. 28. Minnesota Statutes 1990, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The commissioners of public safety and corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

(1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;

(2) the symptoms of sexually transmitted diseases;

(3) recommendations for periodic testing for the diseases, where appropriate;

(4) locations where confidential testing is done and the extent of the confidentiality provided; ~~and~~

(5) information necessary to make an informed decision whether to request a test of the offender under section 27; and

(6) other medically relevant information.

Sec. 29. Minnesota Statutes 1990, section 626.14, is amended to read:

626.14 [TIME OF SERVICE.]

A search warrant may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless the court determines on the basis of facts stated in the affidavits that a nighttime search *outside those hours* is necessary to prevent the loss, destruction, or removal of the objects of the search *or to protect the searchers or the public*. The search warrant shall state that it may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless a nighttime search *outside those hours* is authorized.

Sec. 30. Minnesota Statutes 1990, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of *a* crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. *Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:*

(1) if the person was convicted of a crime of violence as defined in section 624.712, subdivision 5, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and

(2) if the person was convicted of any crime not included within the definition of crime of violence under section 624.712, subdivision 5, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.

If the board of pardons ~~shall determine~~ *determines* that ~~such~~ *the* person ~~has been convicted of no criminal acts other than the act upon which such conviction was founded and~~ is of good character and reputation, the board may, in its discretion, grant ~~to such~~ *the* person a pardon extraordinary. ~~Such~~ *The* pardon extraordinary, when granted, ~~shall have~~ *has* the effect of ~~restoring such person to all civil rights, and shall have the effect of~~ setting aside *and nullifying* the conviction ~~and nullifying the same~~ and of purging ~~such~~ *the* person ~~thereof~~ *of it*, and ~~such~~ *the* person shall never ~~thereafter~~ *after that* be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted.

The application for ~~such~~ *a* pardon extraordinary ~~and~~, the proceedings ~~thereunder~~ *to review an application*, and *the* notice ~~thereof shall be~~ *requirements are* governed by the statutes and the rules of the board in respect to other proceedings before the board ~~and~~. *The application shall* contain ~~such~~ *any* further information ~~as~~ *that* the board may require.

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 31. Minnesota Statutes 1991 Supplement, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy ~~thereof~~ *of it* with the district court of the county in which the conviction occurred, and the court shall order the conviction set aside and include a copy of the pardon in the court file. *The court shall send a copy of its order and the pardon to the bureau of criminal apprehension.*

Sec. 32. Minnesota Statutes 1990, section 638.02, subdivision 4, is amended to read:

Subd. 4. Any person granted a pardon extraordinary by the board of pardons prior to April 12, 1974 may apply to the district court of the county in which the conviction occurred for an order setting aside the conviction ~~and sealing all such records~~ as set forth in subdivision 3.

Sec. 33. Minnesota Statutes 1991 Supplement, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall be in writing, addressed to the board of pardons, signed *under oath* by the convict or someone in the convict's behalf, shall state concisely the grounds upon which the ~~pardon or commutation~~ *relief* is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which *the convict is or was* known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the ~~same~~ *statement* is substantially correct~~:~~. If ~~such~~ *this* statement and endorsement are not furnished, the reason ~~thereof~~ *for failing to furnish them* shall be stated;

(5) The age, birthplace, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

Every application for ~~a~~ *relief by the* pardon ~~or commutation of sentence~~ *board* shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the ~~pardon or commutation~~ *relief* is sought. *In addition, if the applicant resided in another state after the sentence was discharged, the application for relief by the pardon board shall contain a statement by the applicant consenting to the disclosure to the board of any data concerning the applicant that was collected or maintained by the foreign state relating to the grounds on which the relief is sought, including disclosure of criminal arrest and conviction records.*

Sec. 34. Minnesota Statutes 1991 Supplement, section 638.06, is

amended to read:

638.06 [ACTION ON APPLICATION.]

Every ~~such~~ application *for relief by the pardon board* shall be filed with the ~~clerk~~ *secretary* of the board of pardons *not less than 60 days before the meeting of the board at which consideration of the application is desired.* If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed ~~thereon~~ *on the application.* ~~The clerk shall.~~ Immediately on receipt of any application, *the secretary to the board shall* mail notice ~~thereof~~ *of the application*, and of the time and place of hearing ~~thereon~~ *on it*, to the judge of the court ~~wherein~~ *where* the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office. *Additionally, the secretary shall publish notice of an application for a pardon extraordinary in the local newspaper of the county where the crime occurred.* The ~~clerk~~ *secretary* shall also make all reasonable efforts to locate any victim of the applicant's crime. The ~~clerk~~ *secretary* shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04.

Sec. 35. [638.075] [ANNUAL REPORTS TO LEGISLATURE.]

By February 15 of each year, the board of pardons shall file a written report with the legislature containing the following information:

(1) the number of applications received by the board during the preceding calendar year for pardons, pardons extraordinary, and commutations of sentence;

(2) the number of applications granted by the board for each category; and

(3) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 36. Laws 1990, chapter 566, section 9, is amended to read:

Sec. 9. [REPEALER.]

Section 2 is repealed effective July 31, ~~1992~~ *1994*.

Sec. 37. [CRIMINAL BACKGROUND CHECK STUDY.]

The department of administration, with the technical assistance of the bureau of criminal apprehension, shall conduct a study to determine the feasibility, cost, and impact of conducting background checks of (1) criminal arrest data and (2) criminal history data from the federal bureau of investigation on children's service workers pursuant to sections 18 to 22. The department shall report its recommendations to the legislature by January 15, 1993.

Sec. 38. [SUPREME COURT; UNIFORM ORDER TO SET ASIDE CONVICTION.]

The supreme court shall, by rule, develop a standardized form to be used by district courts in entering orders to set aside a conviction under Minnesota Statutes, section 638.02, subdivision 3.

Sec. 39. [PARDON BOARD; REVIEW OF STAFFING AND WORKLOAD.]

No later than one year after the effective date of sections 30 to 34, the board of pardons may assess whether it has adequate staff, resources, and procedures to perform the duties imposed on the board by Minnesota Statutes, chapter 638.

Sec. 40. [TELEPHONE ASSISTANCE PLAN.]

Notwithstanding Minnesota Statutes, section 13.46, subdivision 2, until August 1, 1993, welfare data collected by the telephone assistance plan may be disclosed to the department of revenue to conduct an electronic data match to the extent necessary to determine eligibility under Minnesota Statutes, section 237.70, subdivision 4a.

Sec. 41. [APPROPRIATION.]

$10,000 is appropriated from the general fund to the commissioner of corrections, for the fiscal year ending June 30, 1993, to be used to computerize the records maintained by the board of pardons and to permit the board to provide statistical analysis of the board's records, as necessary.

Sec. 42. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment and applies to immunizations administered before, on, or after the effective date. Sections 13, 14, 16, 17, and 25 are effective October 1, 1992. Sections 27 and 28 are effective January 1, 1993, and apply to crimes committed on or after that date. Sections 30, 31, 32, 33, and 34 are effective June 1, 1992."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; modifying provisions concerning patient consent to release of medical records; providing for charges for patient medical records; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; improving the pardon application procedure; requiring certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.03, by adding a subdivision; 13.05, subdivision 4; 72A.20, by adding a subdivision; 144.335, by adding subdivisions; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 388.23, subdivision 1; 609.168; 611A.20, subdivision 2; 626.14; 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.03, subdivision 3; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05; and 638.06; Laws 1990, chapter 566, section 9; proposing coding for new law in Minnesota Statutes, chapter 13; 144; 299C; 357; 611A; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Phil Carruthers, Doug Swenson, Thomas W. Pugh

Senate Conferees: (Signed) Jane B. Ranum, Thomas M. Neuville, Gene Merriam

Ms. Ranum moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2181 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2181 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2030, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2030 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2030

A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2030, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2030 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 ~~and~~, 221.033, *and 221.141, subdivision 5*, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in

section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 2. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

Subd. 3b. [PASSENGER TRANSPORTATION.] *(a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the commissioner's rules by any other provision of this section, must comply with the commissioner's rules on maximum hours of service for drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.*

(b) This subdivision does not apply to:

(1) a local transit commission;

(2) a transit authority created by law; or

(3) persons providing transportation:

(i) in a school bus as defined in section 169.01, subdivision 6;

(ii) in a commuter van;

(iii) in an authorized emergency vehicle as defined in section 169.01, subdivision 5;

(iv) in special transportation service certified by the commissioner under section 174.30;

(v) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver operating a private passenger vehicle as defined in section 169.01, subdivision 3a;

(vi) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(vii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 3. Minnesota Statutes 1990, section 221.141, is amended by adding a subdivision to read:

Subd. 5. [PASSENGER TRANSPORTATION.] *For purposes of this section, "motor carrier" includes any person who transports passengers for hire in intrastate commerce. This section does not apply to an entity or person included in section 221.031, subdivision 3b, paragraph (b).*"

Delete the title and insert:

"A bill for an act relating to transportation; making certain persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) James I. Rice, Bernard L. "Bernie" Lieder, Chuck Brown

Senate Conferees: (Signed) Florian Chmielewski, Carl W. Kroening, Jim Gustafson

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2030 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2030 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2734.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 2734: A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; changing pesticide reimbursement provisions; regulating adulterated dairy products; imposing civil penalties; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, sections 32.21; and 41B.02, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 41B.

Mr. Moe, R.D. moved that H.F. No. 2734 be laid on the table. The motion prevailed.

RECESS

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

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1993 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1993

A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1993, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 1993 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUTER TRIP REDUCTION ACT

Section 1. Minnesota Statutes 1990, section 161.1231, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO CONSTRUCT.] Notwithstanding section 161.123 or any other law, the commissioner may acquire land by purchase, gift, or eminent domain for parking facilities described in this section and may construct, operate, repair, and maintain parking facilities primarily to serve vehicles traveling the route in the interstate highway system described in section 161.123, clause (2), also known as I-394 *and, if approved by the federal government, vehicles occupied by two or more persons traveling other routes*. Other vehicles may use the parking facilities when space is available.

Sec. 2. Minnesota Statutes 1990, section 161.1231, subdivision 2, is amended to read:

Subd. 2. [RULES AND PROCEDURES.] The commissioner shall adopt rules and establish procedures for the operation and use of the parking facilities. The rules are exempt from the requirements of chapter 14. A copy of the rules that regulate use of the facilities by drivers must be posted in each parking facility. The rules must:

(1) establish incentives, which must include preferential parking locations, to encourage drivers of vehicles *that are occupied by two or more persons* that travel *on* I-394 and ~~that are occupied by two or more persons~~ *other routes, if approved by the federal government,* to use the facilities;

(2) define peak travel hours and provide that during peak travel hours single-occupant vehicles be charged a surcharge to bring the parking fee for those vehicles to approximately the same level as parking fees charged in the private parking ramps located in Minneapolis;

(3) provide preferential parking locations for vehicles licensed and operated under section 168.021;

(4) establish application, permit, and use requirements; and

(5) provide for removal and impoundment of vehicles and assessment of a service fee on vehicles parked in violation of this section and the rules adopted under it.

Sec. 3. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [HIGH-OCCUPANCY VEHICLE.] *"High-occupancy vehicle" means a passenger vehicle with two or more occupants clearly visible from a distance of at least 50 feet, a truck with a gross vehicle weight rating of 12,000 pounds or less with two or more occupants clearly visible from a distance of at least 50 feet, and the following, regardless of the number of occupants: buses, vans displaying the marking of the any public transit system, clearly marked and licensed taxicabs, authorized emergency vehicles, and motorcycles.*

Sec. 4. [169.055] [HIGH-OCCUPANCY VEHICLE ROADWAYS.]

Subdivision 1. [DESIGNATION; RESTRICTED USE.] *Road authorities may designate portions of roadways for the exclusive use of high-occupancy vehicles. Designated portions must be indicated by signs or distinctive*

pavement markings. No vehicle except those defined in section 3 may be operated on a roadway designated for use by high-occupancy vehicles.

Subd. 2. [VIOLATION; PENALTY.] *The owner, or in the case of a leased vehicle, the lessee of a motor vehicle, operated in violation of this section, is liable for a civil penalty of up to $100, unless the motor vehicle operated in violation of this section also had a mannequin, dummy, or other device placed to look like a passenger, in which case the owner or lessee of the motor vehicle is liable for a civil penalty of up to $125.*

The owner or lessee is not liable for the civil penalty if the vehicle was stolen, or if another person is convicted of a violation of this subdivision for the same violation.

Sec. 5. [473.4031] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *For the purposes of sections 5 to 8, the following terms have the meanings given them.*

Subd. 2. [AFFECTED EMPLOYER.] *"Affected employer" means an employer of 100 or more employees at any work location within a commuter trip reduction zone.*

Subd. 3. [AVERAGE DAILY VEHICLE OCCUPANCY RATE.] *"Average daily vehicle occupancy rate" means the average number of persons occupying vehicles registered as passenger automobiles within an area surveyed.*

Subd. 4. [COMMUTER TRIP REDUCTION PLAN OR PLAN.] *"Commuter trip reduction plan" or "plan" means the plan required by section 7, subdivision 3.*

Subd. 5. [COMMUTER TRIP REDUCTION ZONE.] *"Commuter trip reduction zone" means a geographic area designated by the regional transit board under section 6, subdivision 3.*

Subd. 6. [EMPLOYER.] *"Employer" has the meaning given it in section 290.92, subdivision 1, paragraph (4), except that employer excludes the federal government.*

Subd. 7. [SINGLE-OCCUPANCY VEHICLE.] *"Single-occupancy vehicle" means a motor vehicle occupied by one person and that is registered as a passenger automobile.*

Subd. 8. [WORK LOCATION OR LOCATION.] *"Work location" or "location" means an area, building, grouping of buildings, or set of contiguous buildings where employees of a single employer work.*

Sec. 6. [473.4032] [COMMUTER TRIP REDUCTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *The regional transit board shall establish a commuter trip reduction program to reduce commuting by single-occupant vehicle on the metropolitan highways. The board shall consult with employees and labor representatives in the metropolitan area, the commissioner of transportation, the metropolitan council, the metropolitan transit commission, and local units of government in the metropolitan area in establishing the program.*

The program must be consistent with the council's transportation policy plan.

Subd. 2. [DATA COLLECTION AND ANALYSIS; STRATEGY.] *The*

regional transit board shall collect and analyze data on metropolitan commuting patterns, including origin-destination data, traffic congestion, employment and population densities, pollution levels, level of available transit services, parking availability, access to high-occupancy vehicles, and other factors that may affect the rate of commuting by single-occupancy vehicle.

The board shall develop a commuter trip reduction strategy for the metropolitan area that includes maximum use of public transit, priority for high-occupancy vehicles, improved traffic system management, implementation of plans by affected employers, and other measures that increase the vehicle occupancy rate.

Subd. 3. [COMMUTER TRIP REDUCTION ZONES.] *After reasonable notice and a public hearing on the proposed zones and vehicle occupancy rate goals, the board shall designate commuter trip reduction zones within the metropolitan area. The board shall determine the average vehicle occupancy rate in each zone and set rate goals for vehicle occupancy for each zone.*

Every two years, the board shall review and revise as necessary its designation of zones and goals.

Sec. 7. [473.4033] [REQUIREMENTS FOR AFFECTED EMPLOYERS.]

Subdivision 1. [NOTICE; REGISTRATION.] *Within 120 days after designating or revising the designation of commuter trip reduction zones and vehicle occupancy rate goals under section 6, subdivision 3, the regional transit board shall notify, by mail and by publication in newspapers of general circulation, employers with work locations in the zones of the requirements of this section. Within 60 days after receipt of the notice, or publication of the general newspaper notice, whichever is later, an affected employer shall submit the following information to the board:*

(1) the name and address of the employer;

(2) the name and address of a designated contact person at the work location; and

(3) the address of each work location employing 100 or more persons within a commuter trip reduction zone and the number of employees at each location.

Subd. 2. [SURVEY.] *The board shall send affected employers a survey form on the commuting patterns of the employees at each work location and information on the requirements of this section.*

Subd. 3. [COMMUTER TRIP REDUCTION PLAN.] *Within 180 days after receipt of the survey form, an affected employer shall submit to the board the completed survey and a commuter trip reduction plan. The plan must include the following:*

(1) a summary of the survey results, including a description of the modes of travel used by employees commuting to work, and the current average vehicle occupancy at each work location;

(2) a list of commuter trip reduction strategies currently used by the employer;

(3) a list and description of commuter trip reduction strategies to achieve

at that location the average vehicle occupancy rate goal for the zone within five years; and

(4) the name and title of the person preparing the plan.

Subd. 4. [CONSOLIDATED PLAN.] *An affected employer may comply with this section by participating in a consolidated plan with other employers in the surrounding area.*

Subd. 5. [PLAN REVIEW.] *The board shall return a plan within 180 days if the plan will not meet the employer's average vehicle occupancy rate goal. The employer shall revise and resubmit the plan within 90 days after receipt of the notice that the plan is inadequate.*

Sec. 8. [473.4034] [PUBLIC EDUCATION.]

The regional transit board, in cooperation with employers, the commissioner of transportation, the metropolitan council, and the metropolitan transit commission, shall develop a program to educate the public on the benefits of reducing the number of single-occupancy commuter trips.

Sec. 9. [INITIAL DEADLINES.]

The regional transit board shall initially take the actions required by section 6 according to the following schedule:

(1) the initial collection and analysis of data required by section 6, subdivision 2, must be done by July 1, 1993;

(2) the initial designation of commuter trip reduction zones and setting of vehicle occupancy rate goals required by section 6, subdivision 3, must be done by July 1, 1993; and

(3) notwithstanding section 6, subdivision 3, the periodic review and revision of zones and goals must begin in 1996.

Sec. 10. [CARPOOL INCENTIVES.]

The commissioner of transportation shall take all steps necessary to secure the approval of the federal government required to make all high-occupancy vehicles, whether traveling on I-394 or other routes, eligible for parking fee incentives in the garages constructed under section 161.1231.

Sec. 11. [APPLICATION TO FEDERAL ACTIONS.]

Nothing in this act requires the commissioner of transportation to take any action that (1) will jeopardize the state's eligibility for or ability to use federal highway funds or (2) the commissioner determines will result in any other federal action against the state.

Sec. 12. [APPLICATION.]

Sections 5 to 9 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 13.72, is amended by adding a subdivision to read:

Subd. 8. [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY DATA.] *Data collected by the commissioner of transportation under section 174.258 are private data with regard to data on individuals or*

nonpublic data with regard to data not on individuals, including the subject's name, home address, telephone number, place of work, and commuting information. Summaries and analyses of the data collected are public data if they do not reveal private data or nonpublic data.

Sec. 2. Minnesota Statutes 1990, section 103F.351, is amended by adding a subdivision to read:

Subd. 6. [SCENIC CORRIDOR.] *(a) A county state-aid highway that passes through or adjacent to and serves as a corridor to the lower St. Croix wild and scenic river district must be designated a natural preservation route under section 162.021. Design standards for the route must provide for the preservation to the greatest extent possible of the existing profile, alignment, recovery areas, and cross-section of the existing highway, and for minimizing the acquisition of real property for reconstruction.*

(b) A county may not reconstruct a route designated under paragraph (a) where the reconstruction project would (1) materially change the existing profile, alignment, recovery area, or cross-section of the existing highway, or (2) require the acquisition of any significant amount of real property, unless the project has been approved by the commissioner as provided in this subdivision. On receiving a request for approval of the project, the commissioner shall refer the request to the appropriate advisory committee established under section 162.021, subdivision 5, paragraph (b). The advisory committee shall, after holding at least one public hearing in the area affected by the project, consider the request and make a recommendation to the commissioner. Following receipt of the committee's recommendation, the commissioner shall issue an order approving or disapproving the project, or approving it with any modifications the commissioner determines will best preserve the highway's scenic, environmental, or historic characteristics. The county may not proceed with the reconstruction project except in conformity with the commissioner's order. In any administrative or judicial proceeding regarding the project, the party proposing the change has the burden of justifying the change, and, if the change is for a reason other than to preserve the the scenic, historical, or environmental characteristics of the highway corridor, has the burden of showing that the reasons for the change clearly outweigh the applicable scenic, historical, or environmental considerations.

Sec. 3. Minnesota Statutes 1990, section 169.121, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section unless the commissioner has already revoked the person's driving privileges or served the person with a notice of revocation for a violation of section 169.123 arising out of the same incident. ~~The court shall take the license or permit of the driver, if any, or obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.~~

~~The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.~~

The court shall invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 4. Minnesota Statutes 1990, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more. On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall *either:*

(1) take the *driver's* license or permit ~~of the driver~~, if any, and issue a temporary license, effective only for seven days. ~~The peace officer~~. *and* shall send ~~the person's driver's license~~ *it* to the commissioner of public safety along with the certificate required by subdivision 4*; or*

(2) invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 5. Minnesota Statutes 1990, section 169.14, subdivision 10, is amended to read:

Subd. 10. [RADAR; ~~SPEEDALYZER~~ *SPEED-MEASURING* DEVICES; STANDARDS OF EVIDENCE.] In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other ~~speedalyzer~~ *speed-measuring* devices is admissible in evidence, subject to the following conditions:

(a) The officer operating the device has sufficient training to properly operate the equipment;

(b) The officer testifies as to the manner in which the device was set up and operated;

(c) The device was operated with minimal distortion or interference from outside sources; and

(d) The device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or ~~speedalyzer~~ *speed-measuring* device.

Sec. 6. Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1, is amended to read:

Subdivision 1. [PARKING CRITERIA.] A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically disabled, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a transfer zone for disabled persons; ~~or~~

(3) exercise the parking privilege provided in section 169.345, unless:

(i) that person is a physically disabled person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically disabled person; and

(ii) the vehicle visibly displays one of the following: a license plate issued under section 168.021, a certificate issued under section 169.345, or an equivalent certificate, insignia, or license plate issued by another state, a foreign country, or one of its political subdivisions; *or*

(4) park a motor vehicle in an area used as a regular route transit stopping point where (i) a transit vehicle that is accessible to the physically disabled regularly stops, and (ii) the operator of the regular route transit has erected a sign that bears the international symbol of access in white on blue. A sign erected under this clause that bears the access symbol may display other information relating to the regular route transit service. For purposes of this clause, an area used as a regular route transit stopping point consists of the 80 feet immediately in front of the sign described in this clause.

Sec. 7. Minnesota Statutes 1991 Supplement, section 169.444, subdivision 7, is amended to read:

Subd. 7. [EVIDENTIARY ~~PRESUMPTION~~ *PRESUMPTIONS.*] *(a)* There is a rebuttable presumption that signals described in section 169.442 were in working order and operable when a violation of subdivision 1, 2, or 5 was allegedly committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.

(b) There is a rebuttable presumption that a motor vehicle outwardly equipped and identified as a school bus satisfies all of the identification and equipment requirements of section 169.441 when a violation of subdivision 1, 2, or 5 was allegedly committed, if the applicable school bus bears a current inspection certificate issued under section 169.451.

Sec. 8. Minnesota Statutes 1991 Supplement, section 171.01, subdivision 24, is amended to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] "Special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis. Special transportation service does not include ~~a volunteer driver using a private passenger vehicle that belongs to the volunteer~~ *services exempted in section 174.30.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street

or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the ~~person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by~~ *person's license from any jurisdiction has been invalidated by* the department. *The department shall provide* to the issuing department ~~together with~~ *of any jurisdiction*, information that *the* licensee is now licensed in ~~new jurisdiction~~ *Minnesota*. No person shall be permitted to have more than one valid driver's license at any time. No person *to whom a current Minnesota identification card has been issued* may receive a driver's license, other than an instruction permit or a limited license, unless the ~~person surrenders to the department any~~ *person's* Minnesota identification card ~~issued to the person under section 171.07, subdivision 3~~ *has been invalidated by the department*.

Sec. 10. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles *and combinations of vehicles*, except *commercial motor* vehicles ~~with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; and~~

~~(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.~~

~~The holder of a class C license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less~~.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses. *The holder of a class B license may only tow vehicles with a gross vehicle weight of 10,000 pounds or less.*

(d) Class A; valid for any vehicle or combination thereof.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, ~~special transportation service vehicle,~~ tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 12. Minnesota Statutes 1990, section 171.11, is amended to read:

171.11 [CHANGE OF DOMICILE OR NAME.]

When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in such application or in the license issued to the person, or shall change a name by marriage or otherwise, such person shall, within 30 days thereafter, ~~make application~~ *apply* for a duplicate driver's license upon a form furnished by the department; ~~such~~ *and pay the required fee. The* application or duplicate license shall show both the licensee's old address and new address or the former name and new name as the case may be. ~~Such application for a duplicate license, upon change of address or change of name, shall be accompanied by all certificates of driver's license then in the possession of the applicant together with the required fee.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, ~~special transportation service vehicle,~~ tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a $2.50 examination fee at the place of application.

Sec. 14. Minnesota Statutes 1990, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

(1) to display, cause or permit to be displayed, or have in possession, any:

(i) canceled, revoked, or suspended driver's license;

(ii) driver's license for which the person has been disqualified; or

(iii) fictitious or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

(4) ~~to fail or refuse to surrender to the department, upon its lawful demand, any driver's license or Minnesota identification card which has been suspended, revoked, canceled, or for which the holder has been disqualified;~~

~~(5)~~ to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

~~(6)~~ *(5)* to alter any driver's license or Minnesota identification card;

~~(7)~~ *(6)* to take any part of the driver's license examination for another or to permit another to take the examination for that person;

~~(8)~~ *(7)* to make a counterfeit driver's license or Minnesota identification card; or

~~(9)~~ *(8)* to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 1, is amended to read:

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service within the seven-county metropolitan area as defined in section 473.121, subdivision 2, without having a valid ~~class A, class B, or class C~~ driver's license *for the class of vehicle being driven* with a special transportation service vehicle endorsement.

Sec. 16. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall ~~conduct a criminal records check of the applicant~~ *require evidence that a criminal records check of the applicant has been completed and that the applicant is not disqualified as a special transportation service driver under the rules of the commissioner of transportation adopted under section 174.30*. The commissioner may also conduct a records check at any time ~~while a person is so licensed~~ *of a person operating a special transportation service vehicle*. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Sec. 17. [174.258] [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY.]

The commissioner of transportation may conduct origin and destination studies using photographic or other technology to identify the owners of vehicles traveling on routes under study in order to survey the owners about their commuting needs and habits. All photographs, photographic negatives, videos, survey responses, and other data collected under this section are private data with regard to data on individuals or nonpublic data with regard to data not on individuals, as provided in section 13.72, subdivision 8. Summaries and analyses of the data that do not reveal private data or nonpublic data, are public data. Photographs, photographic negatives, videos, survey responses or other data collected under this section may not be used in evidence in any civil, criminal, or administrative proceeding.

Sec. 18. Minnesota Statutes 1990, section 216C.15, subdivision 1, is amended to read:

Subdivision 1. [PLAN PROGRAMS, PRIORITIES, AND CONTROLS.] The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) give priority to individuals, institutions, agriculture ~~and~~, businesses, *and public transit under contract with the commissioner of transportation or the regional transit board* which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) immediate allocations to individuals, institutions, agriculture ~~and~~, businesses, *and public transit* be based on needs at energy conservation levels;

(2) successive allocations to individuals, institutions, agriculture ~~and~~, businesses, *and public transit* be based on needs after implementation of required action to increase energy conservation; *and*

(3) needs of individuals ~~and~~, institutions, *and public transit* are adjusted to insure the health and welfare of the young, old and infirm;

(b) insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(c) establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; ~~and~~

(f) determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f; *and*

(g) establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 19. [HOV LANE ENFORCEMENT DEMONSTRATION PROJECT.]

(a) Beginning November 1, 1992, the commissioners of transportation and public safety shall jointly conduct a demonstration project using electronic technology to enforce regulations restricting the use of high-occupancy vehicle lanes. The commissioners shall submit a report evaluating the project to the legislature by January 1, 1994.

(b) If a motor vehicle is operated in violation of restrictions on use of high-occupancy vehicle lanes, the owner or lessee of the motor vehicle may not be convicted for the violation if:

(1) another person is convicted for that violation; or

(2) the motor vehicle was stolen at the time of the violation.

For purposes of this section, a lessor of a motor vehicle who keeps a record of the name and address of the lessee is not considered the owner.

No tapes may be retained after the demonstration project ends unless needed for legal purposes.

Sec. 20. [SIGN TO BE ERECTED.]

The commissioner of transportation shall erect at the earliest feasible date an addition to the exit sign marking the East Seventh Street exit on eastbound marked interstate highway No. 94 in St. Paul to indicate that the exit provides access to Metropolitan State University in downtown St. Paul if Metropolitan State University pays all costs of erecting the sign.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 171.20, subdivision 1, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 5, 7, 8, 10, 11, 13, 15, and 20, are effective the day following final enactment. Sections 3, 4, 9, 12, 14, and 21, are effective January 1, 1993. Section 16 is effective the day after the rules of the commissioner of transportation under Minnesota Statutes, section 174.30, are adopted."

Delete the title and insert:

"A bill for an act relating to transportation; providing incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce commuter trips; classifying commuter

survey data; designating a natural preservation route; providing for invalidation of drivers' licenses and identification cards in some circumstances; making technical changes; prohibiting parking in certain public transit stopping points; providing evidentiary presumption regarding school buses; clarifying driving authority of holders of certain drivers' licenses; abolishing requirement of examination and fee to receive endorsement to operate a special transportation service vehicle; requiring criminal records check of applicant for driver's license endorsement to operate a special transportation service vehicle; requiring a study; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; requiring erection of highway information sign; amending Minnesota Statutes 1990, sections 13.72, by adding a subdivision; 103F.351, by adding a subdivision; 161.1231, subdivisions 1 and 2; 169.01, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 169.14, subdivision 10; 171.11; 171.22, subdivision 1; 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; 169.444, subdivision 7; 171.01, subdivision 24; 171.02, subdivisions 1 and 2; 171.10, subdivision 2; 171.13, subdivision 5; 171.323, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 169; 174; 473; repealing Minnesota Statutes 1990, sections 171.20, subdivision 1."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carol Flynn, Gary M. DeCramer, Don Frank

House Conferees: (Signed) Alice M. Johnson, Art Seaberg, Carlos Mariani

Ms. Flynn moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1993 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1993 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2137 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2137

A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2137, report that we have agreed upon the items in dispute and recommend as follows:

That the house recede from its amendment to S.F. No. 2137 labeled HDA-704 and the Senate concur in the House amendment to S.F. No. 2137 labeled HDA-836.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John C. Hottinger, Thomas M. Neuville, Don Samuelson

House Conferees: (Signed) Lee Greenfield, Karen Clark, Gil Gutknecht

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2137 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2137 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1959 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1959

A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chatper 383B.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1959, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1959 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 18.317, subdivision 1, is amended to read:

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

Sec. 2. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 1a. [PLACEMENT PROHIBITED.] *A person may not intentionally place ecologically harmful exotic species, as defined in section 84.967, in public waters within the state.*

Sec. 3. Minnesota Statutes 1990, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *or other water-transmitted harmful exotic species identified by the commissioner of natural resources* for disposal as part of a harvest or control activity.

Sec. 4. Minnesota Statutes 1990, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL *OR OTHER HARMFUL SPECIES* PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with

Eurasian or Northern water milfoil, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* attached into waters of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, *zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources* from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Sec. 5. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] *(a) Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources.*

Sec. 6. Minnesota Statutes 1990, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1 ~~or~~, *1a*, 3, *or 3a* is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil from a trailer or watercraft is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1991 Supplement, section 84.968, is amended to read:

84.968 [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN; *REPORT.*]

Subdivision 1. [MANAGEMENT PLAN.] *(a)* By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated,

possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

(b) The plan prepared under paragraph (a) must include containment strategies that include:

(1) participation by lake associations, local citizen groups, and local units of government in the development and implementation of lake management plans;

(2) a reasonable and workable inspection requirement for boats and equipment participating in organized events on waters of the state;

(3) allowing access points infested with ecologically harmful exotic species to be closed, for not more than a total of seven days during an open water season, for control or eradication purposes, and requiring posting of signs stating the reason for closing the access;

(4) provisions for reasonable weed-free maintenance of public accesses to infested waters; and

(5) notice to travelers of the penalties for violation of laws relating to ecologically harmful exotic species.

Subd. 2. [REPORT.] *The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:*

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species;

(6) an estimate of future management needs; and

(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 1.

Sec. 8. Minnesota Statutes 1991 Supplement, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) ~~The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.~~ *The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession,*

and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

Sec. 9. Minnesota Statutes 1990, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [SUSPENSION FOR NOT REMOVING EURASIAN OR NORTHERN WATER MILFOIL *OR OTHER HARMFUL SPECIES*.] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an *inspection* order of a conservation officer or other licensed peace officer *or an order* to remove Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, *zebra mussels, or other ecologically harmful species identified by the commissioner* from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 10. Minnesota Statutes 1991 Supplement, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of ~~$2~~ *$3* is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Sec. 11. [APPROPRIATIONS.]

$219,000 is appropriated from the water recreation account in the natural resources fund to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research of nuisance exotic aquatic species in public waters.

Of this amount, $80,000 may be used to conduct access inspections under section 5.

Sec. 12. [EFFECTIVE DATE.]

The emergency rulemaking authority in section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding subdivisions; and 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Steven Morse, Earl W. Renneke

House Conferees: (Signed) Wesley J. "Wes" Skoglund, Anthony G. "Tony" Kinkel, Ron Abrams

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1959 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1959 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2233: A bill for an act relating to natural resources; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1990, sections 84.87, by adding a subdivision; and 84A.55, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

Senate File No. 2233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 2233 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2233 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1849, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1849 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1849

A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing

secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1849, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1849 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SEX OFFENDERS

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ *programs*, within the state adult correctional facility system. Participation in any ~~treatment~~ program is ~~voluntary and is~~ subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a ~~treatment~~ program *if the offender is determined by prison professionals as unamenable to programming within the prison system or if the offender refuses or fails to comply with the program's requirements*. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender ~~treatment~~ *programming* and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 6, is amended to read:

Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] ~~By January 1, 1990.~~ The commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.

~~After January 1, 1991,~~ A state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.

~~After January 1, 1991,~~ When an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [RELEASE ON CERTAIN DAYS.] *Notwithstanding the amount of good time earned by an inmate whose crime was committed before August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the last day before the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday. For an inmate whose crime was committed on or after August 1, 1992, if the inmate's scheduled release date occurs*

on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the first day after the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday.

Sec. 4. Minnesota Statutes 1990, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that ~~for~~ *if* a sex offender *is* sentenced and conditionally released under section 609.1352, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the ~~original sentence imposed less good time earned under section 244.04, subdivision 1~~ *conditional release term*.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence ~~for conviction of murder in the first degree~~ under section 609.185, *clause (1), (3), (4), (5), or (6); or 609.346, subdivision 2a,* must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 6. Minnesota Statutes 1990, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, *clause (1), (3), (4), (5), or (6); 609.346, subdivision 2a;* or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 7. Minnesota Statutes 1991 Supplement, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). *In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under sections 609.342 to 609.345 or was sentenced under the provisions of section 609.1352.* The commissioner may impose

appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. *In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender program as a condition of release.* If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 *and section 609.1352*.

Sec. 8. Minnesota Statutes 1991 Supplement, section 244.12, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct ~~in the first or second degree~~, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

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, or another offense arising out of a delinquency petition based on one or more of those sections,* 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.

Sec. 10. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

(c) If the conviction is for any misdemeanor under section 169.121; *609.746, subdivision 1; 609.79; or 617.23;* or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(d) If the conviction is for a misdemeanor not specified in paragraph (c), the stay shall be for not more than one year.

(e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 11. Minnesota Statutes 1990, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court ~~may~~ *shall* sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory

maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status *unless the offender refuses to be examined*. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 12. Minnesota Statutes 1990, section 609.1352, subdivision 5, is amended to read:

Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court ~~may~~ *shall* provide that after the offender has completed ~~one-half of~~ the ~~full pronounced~~ sentence imposed, ~~without regard to~~ *less any* good time *earned by an offender whose crime was committed before August 1, 1993*, the commissioner of corrections ~~may~~ *shall* place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer~~, if the commissioner finds that:~~

~~(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and~~

~~(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community~~.

The conditions of release ~~must~~ *may* include successful completion of treatment and aftercare in a program approved by the commissioner, *satisfaction of the release conditions specified in section 244.05, subdivision 6*, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced and the victim of the offender's crime, where available, of the terms of the offender's conditional release. ~~Release may be revoked and the stayed sentence executed in its entirety less good time~~ If the offender fails to meet any condition of release, *the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release*

term in prison. The commissioner shall not dismiss the offender from supervision before the ~~sentence~~ *conditional release term* expires.

Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

Sec. 13. Minnesota Statutes 1990, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~when~~ *under the following circumstances:*

(1) the person is convicted of first degree murder under section 609.185, *clause (2); or*

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the *court determines on the record at the time of sentencing that the* person has one or more previous convictions for a heinous crime.

Sec. 14. Minnesota Statutes 1990, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used

or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ *(iii)* the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] *Except as otherwise provided in section 609.346, subdivision 2a or 2b,* a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~25~~ *30* years or to a payment of a fine of not more than $40,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program*; and*

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 15. Minnesota Statutes 1990, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant~~

~~or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ *(iii)* the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] *Except as otherwise provided in section 609.346, subdivision 2a or 2b,* a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~20~~ *25* years or to a payment of a fine of not more than $35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program*; and*

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 16. Minnesota Statutes 1990, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position

of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ *(iii)* the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual penetration by means of false representation that the penetration is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 17. Minnesota Statutes 1990, section 609.344, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the

following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; *and*

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 18. Minnesota Statutes 1990, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ *(iii)* the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual contact by means of false representation that the contact is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 19. Minnesota Statutes 1990, section 609.345, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; *and*

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 20. [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, or another offense arising out of a charge based on one or more of those sections, 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.*

Sec. 21. Minnesota Statutes 1990, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a *or 2b*, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 22. Minnesota Statutes 1990, section 609.346, subdivision 2a, is amended to read:

Subd. 2a. [~~MAXIMUM~~ *MANDATORY LIFE* SENTENCE ~~IMPOSED~~.] (a) The court shall sentence a person to ~~a term of~~ imprisonment ~~of 37 years~~ *for life*, notwithstanding the statutory maximum ~~sentences~~ *sentence* under ~~sections~~ *section* 609.342 ~~and 609.343~~ if:

(1) the person is convicted under section 609.342 ~~or 609.343~~; and

(2) *the court determines on the record at the time of sentencing that any of the following circumstances exists:*

(i) the person has previously been sentenced under section 609.1352;

(ii) the person has one previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344 that occurred before August 1, 1989, for which the person was sentenced to prison in an upward durational departure from the sentencing guidelines that resulted in a sentence at least twice as long as the presumptive sentence; or

(iii) the person has two previous sex offense convictions under section 609.342, 609.343, or 609.344.

(b) Notwithstanding ~~sections~~ *section* 609.342, subdivision 3; ~~and 609.343,~~

~~subdivision 3;~~ and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 23. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] *(a) The court shall sentence a person to a term of 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:*

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 24. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM DEPARTURE FOR SEX OFFENDERS.] *The court shall sentence a person to at least twice the presumptive sentence recommended by the sentencing guidelines if:*

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); 609.343, subdivision 1, clause (c), (d), (e), or (f); or 609.344, subdivision 1, clause (c) or (d); and

(2) the court determines on the record at the time of sentencing that the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines.

Sec. 25. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SUPERVISED RELEASE OF SEX OFFENDERS.] *(a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, any person who is sentenced to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years. The court shall sentence a person convicted for a violation of one of those sections a second or subsequent time, or sentenced under section 24 to a mandatory departure, to serve a supervised release term of not less than ten years.*

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender.

Sec. 26. Minnesota Statutes 1990, section 609.3471, is amended to read:

609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.342~~, clause (a), (b), (g), or (h); 609.343, clause (a), (b), (g), or (h)~~; 609.344~~, clause (a), (b), (e), (f), or (g)~~; or 609.345~~, clause (a), (b), (e), (f), or (g)~~ which specifically identifies ~~the~~ *a* victim *who is a minor* shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 27. [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 20. The interim sliding fee scale is effective until the commissioner adopts a permanent sliding fee scale under article 8, section 4, subdivision 3.

Sec. 28. [INSTITUTE OF PEDIATRIC SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] *The commissioner of health, in cooperation with the director of strategic and long-range planning, shall, by September 1, 1992, convene an interdisciplinary committee to plan for an institute of sexual health to serve youth and children. Members of the committee shall be appointed by the governor and shall include expert professionals from the fields of medicine, psychiatry, psychology, education, sociology, and other relevant disciplines. The committee shall also include representatives of community agencies that work in the areas of health, religion, and corrections.*

Subd. 2. [PURPOSE.] *The purpose of the institute is the diagnosis and treatment of, and research and education relating to, the etiology and prevention of sexual dysfunctions and the medical, psychological, and relational conditions that affect the sexual health of the child, the adolescent, and the family, including those of a violent nature. The institute will focus on the early detection of potentially sexually violent behavior and disorders of sexual functioning. The institute will provide clinical, programmatic, and staff training support for the residential treatment program and will coordinate educational programs. The institute will be a resource for medical, mental health, and juvenile justice programs in the state.*

Subd. 3. [CLINICAL STAFF.] *The institute will provide clinical staff including professionals in genetics, reproductive biology, molecular biology, endocrinology, brain science, ethology, psychology, sociology, and cultural anthropology.*

Subd. 4. [TREATMENT PROGRAMS.] *The institute will be designed to offer a wide variety of diagnostic and treatment services, as determined by the planning committee.*

Subd. 5. [ANCILLARY SERVICES.] *The institute will include a research center that will provide facilities, a library, and educational services supporting and encouraging research on all aspects of pediatric and youth sexology including those factors contributing to sexually violent behavior.*

The institute will fund visiting scholars and establish and maintain international collaborative working relationships with other related professional institutes and organizations and sponsor an annual symposium on pediatric, youth, and family sexology.

Subd. 6. [REPORT.] *By February 1, 1993, the commissioner of health shall submit to the legislature a plan for establishment of an institute to promote the sexual health of youth and children. The plan shall include recommendations for siting and funding the institute.*

Sec. 29. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment. Sections 4, 5, 6, and 10 to 26 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 9 is effective August 1, 1992, and applies to persons adjudicated delinquent on or after that date. The court shall consider convictions occurring before August 1, 1992, as previous convictions in sentencing offenders under sections 22 to 25. Section 20, subdivision 3, is effective January 1, 1994.

ARTICLE 2

SENTENCING

Section 1. Minnesota Statutes 1990, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," *as applied to inmates whose crimes were committed before August 1, 1993,* is the period of time to which an inmate is committed to the custody of the commissioner of corrections minus earned good time. *"Term of imprisonment," as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1a.*

Sec. 2. Minnesota Statutes 1990, section 244.03, is amended to read:

244.03 [~~VOLUNTARY~~ *REHABILITATIVE* PROGRAMS.]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs *and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1a.* The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.

Sec. 3. Minnesota Statutes 1990, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, *and whose crime was committed before*

August 1, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 609.1352, subdivision 5, is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate *whose crime was committed before August 1, 1993*, violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1990, section 244.04, subdivision 3, is amended to read:

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence *or to persons whose crimes were committed on or after August 1, 1993*.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions *1a*, 4, and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. Except for a sex offender conditionally released under section 609.1352, subdivision 5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Sec. 6. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER AUGUST 1, 1993.] *(a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the term of imprisonment pronounced by the sentencing court under section 7 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The supervised release term shall be equal in length to the amount of time remaining in the inmate's imposed sentence after the inmate has served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.*

(b) By August 1, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has

served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. [244.101] [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] *When a felony offender is sentenced to a fixed executed prison sentence for an offense committed on or after August 1, 1993, the sentence pronounced by the court shall consist of two parts: (1) a specified minimum term of imprisonment; and (2) a specified maximum supervised release term that is one-half of the minimum term of imprisonment. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are subject to the provisions of section 244.05, subdivision 1a.*

Subd. 2. [EXPLANATION OF SENTENCE.] *When a court pronounces sentence under this section, it shall specify the amount of time the defendant will serve in prison and the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that may result in the imposition of a disciplinary confinement period. The court shall also explain that the defendant's term of imprisonment may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire pronounced sentence in prison. The court's explanation shall be included in the sentencing order.*

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] *Notwithstanding the court's specification of the potential length of a defendant's supervised release term in the sentencing order, the court's order creates no right of a defendant to any specific, minimum length of a supervised release term.*

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] *If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire sentence pronounced by the court under this section.*

Sec. 8. Minnesota Statutes 1990, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively~~, the total of the terms of imprisonment imposed, other than a term of imprisonment for life, shall not exceed 40 years. If~~ *and* all of the sentences are for misdemeanors, the total of the terms of imprisonment shall not exceed one year~~;~~. If *all of the sentences are* for gross misdemeanors, the total of ~~such~~ *the* terms shall not exceed three years.

Sec. 9. Minnesota Statutes 1990, section 609.152, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, and the judge is imposing

an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) *the court determines on the record at the time of sentencing that* the offender has two or more prior convictions for violent crimes; and

(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the sentencing guidelines.

Sec. 10. Minnesota Statutes 1990, section 609.152, subdivision 3, is amended to read:

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the offender has more than four prior felony convictions and that the present offense is a felony that was committed as part of a pattern of criminal conduct ~~from which a substantial portion of the offender's income was derived~~.

Sec. 11. [TASK FORCE ON NEW FELONY SENTENCING SYSTEM.]

Subdivision 1. [MEMBERSHIP.] *A task force is established to study the implementation of the new felony sentencing system provided in this article. The task force consists of the following members or their designees:*

(1) the chair of the sentencing guidelines commission;

(2) the commissioner of corrections;

(3) the state court administrator;

(4) the chair of the house judiciary committee; and

(5) the chair of the senate judiciary committee.

The task force shall select a chair from among its membership.

Subd. 2. [DUTIES.] *The task force shall study the new felony sentencing system provisions contained in this article. Based on this study, the task force shall:*

(1) determine whether the current sentencing guidelines and sentencing guidelines grid need to be changed in order to implement the new sentencing provisions; and

(2) determine whether any legislative changes to the provisions are needed to permit their effective implementation.

Subd. 3. [REPORT.] *The task force shall report the results of its study to the legislature by February 15, 1993. The report shall include the task*

force's recommendations, if any, for changing the law or the sentencing guidelines in order to effectively implement the new felony sentencing system.

Sec. 12. [SENTENCING GUIDELINES COMMISSION; STUDY.]

The sentencing guidelines commission shall study the following issues and report its findings and conclusions to the chairs of the house and senate judiciary committees by February 1, 1993:

(1) whether the crime of first degree criminal sexual conduct should be ranked, in whole or in part, in the next higher severity level of the sentencing guidelines grid;

(2) whether the current presumptive sentence for the crime of second degree intentional murder is adequately proportional to the mandatory life imprisonment penalty provided for first degree murder; and

(3) whether the sentencing guidelines should provide a presumption in favor of consecutive sentences for persons who are convicted of multiple crimes against a person in separate behavioral incidents.

Sec. 13. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify the sentencing guidelines to provide that if an inmate of a state correctional facility is convicted of committing a felony at the facility, it is presumed that the sentence imposed for the current felony will run consecutively to the sentence for which the inmate was confined when the felony was committed. The commission shall also modify the sentencing guidelines to provide that the judge may depart from this presumption and impose a concurrent sentence based on evidence that the defendant has provided substantial and material assistance in the detection or prosecution of crime.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 8 to 10 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

PSYCHOPATHIC PERSONALITY PROVISIONS

Section 1. Minnesota Statutes 1990, section 8.01, is amended to read:

8.01 [APPEARANCE.]

The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it. Upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper. *Upon request of a county attorney, the attorney general may assume the duties of the county attorney in psychopathic personality commitment proceedings under section 526.10.* Whenever the governor shall so request, in writing, the attorney general shall prosecute any person charged with an indictable offense, and in all such cases may attend upon the grand jury and exercise the powers of a county attorney.

Sec. 2. Minnesota Statutes 1991 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them*; except that the attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01*.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] *Before the commissioner releases from prison any inmate convicted under sections 609.342 to 609.345 or sentenced as a patterned offender under section 609.1352, and determined by the commissioner to be in a high risk category, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 526.10 may be appropriate. If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination, along with a summary of the reasons for the determination, to the county attorney in the county where the inmate was convicted no later than six months before the inmate's release date. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10. The commissioner shall release to the county attorney all requested documentation maintained by the department.*

Sec. 4. Minnesota Statutes 1990, section 253B.18, subdivision 2, is amended to read:

Subd. 2. [REVIEW; HEARING.] A written treatment report shall be filed with the committing court within 60 days after commitment. *If the person is in the custody of the commissioner of corrections when the initial commitment is ordered under subdivision 1, the written treatment report must be filed within 60 days after the person is admitted to the Minnesota security hospital or a private hospital receiving the person.* The court, prior to making a final determination with regard to a person initially committed as mentally ill and dangerous to the public, shall hold a hearing. The hearing shall be held within *the earlier of* 14 days of the court's receipt of the written treatment report, if one is filed, or within 90 days of the date of initial commitment *or admission*, ~~whichever is earlier,~~ unless otherwise agreed by the parties. If the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person and the person shall be deemed not to have been found to be dangerous to the public for the purposes of subdivisions 4 to 15. Failure of the treatment facility to

provide the required report at the end of the 60-day period shall not result in automatic discharge of the patient.

Sec. 5. Minnesota Statutes 1990, section 526.10, is amended to read:

526.10 [LAWS RELATING TO MENTALLY ILL PERSONS DANGEROUS TO THE PUBLIC TO APPLY TO PSYCHOPATHIC PERSONALITIES; TRANSFER *OR COMMITMENT* TO CORRECTIONS.]

Subdivision 1. [PROCEDURE.] Except as otherwise provided in this section or in chapter 253B, the provisions of chapter 253B, pertaining to persons mentally ill and dangerous to the public shall apply with like force and effect to persons having a psychopathic personality, to persons alleged to have such personality, and to persons found to have such personality, respectively. Before such proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists therefor, shall prepare the petition to be executed by a person having knowledge of the facts and file the same with the judge of the probate court of the county in which the "patient," as defined in such statutes, has a settlement or is present. *If the patient is in the custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered.* The judge of probate shall thereupon follow the same procedures set forth in chapter 253B, for judicial commitment. The judge may exclude the general public from attendance at such hearing. If, upon completion of the hearing and consideration of the record, the court finds the proposed patient has a psychopathic personality, the court shall commit such person to a public hospital or a private hospital consenting to receive the person, subject to a mandatory review by the head of the hospital within 60 days from the date of the order as provided for in chapter 253B for persons found to be mentally ill and dangerous to the public. The patient shall thereupon be entitled to all of the rights provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public, and all of the procedures provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public shall apply to such patient except as otherwise provided in subdivision 2.

Subd. 2. [TRANSFER TO CORRECTIONAL FACILITY.] ~~Unless the provisions of section 609.1351 apply,~~ *(a)* If a person has been committed under this section and ~~also has been~~ *later is* committed to the custody of the commissioner of corrections, the person may be transferred from a hospital to another facility designated by the commissioner of corrections as provided in section 253B.18; except that the special review board and the commissioner of human services may consider the following factors in lieu of the factors listed in section 253B.18, subdivision 6, to determine whether a transfer to the commissioner of corrections is appropriate:

(1) the person's unamenability to treatment;

(2) the person's unwillingness or failure to follow treatment recommendations;

(3) the person's lack of progress in treatment at the public or private hospital;

(4) the danger posed by the person to other patients or staff at the public or private hospital; and

(5) the degree of security necessary to protect the public.

(b) If a person is committed under this section after a commitment to the

commissioner of corrections, the person shall first serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence, the person shall be transferred to a regional center designated by the commissioner of human services.

Sec. 6. [526.115] [STATEWIDE JUDICIAL PANEL; PSYCHOPATHIC PERSONALITY COMMITMENTS.]

Subdivision 1. [CREATION.] *The supreme court may establish a panel of district judges with statewide authority to preside over commitment proceedings brought under section 526.10. Only one judge of the panel is required to preside over a particular commitment proceeding. Panel members shall serve for one-year terms. One of the judges shall be designated as the chief judge of the panel, and is vested with the power to designate the presiding judge in a particular case, to set the proper venue for the proceedings, and to otherwise supervise and direct the operation of the panel. The chief judge shall designate one of the other judges to act as chief judge whenever the chief judge is unable to act.*

Subd. 2. [EFFECT OF CREATION OF PANEL.] *If the supreme court creates the judicial panel authorized by this section, all petitions for civil commitment brought under section 526.10 shall be filed with the supreme court instead of with the probate court in the county where the proposed patient is present, notwithstanding any provision of section 526.10 to the contrary. Otherwise, all of the other applicable procedures contained in section 526.10 and chapter 253B apply to commitment proceedings conducted by a judge on the panel.*

Sec. 7. Minnesota Statutes 1990, section 609.1351, is amended to read:

609.1351 [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 609.1352, 609.342, 609.343, 609.344, or 609.345, the court shall make a preliminary determination whether in the court's opinion a petition under section 526.10 may be appropriate *and include the determination as part of the sentencing order*. If the court determines that a petition may be appropriate, the court shall forward its preliminary determination along with supporting documentation to the county attorney. ~~If the person is subsequently committed under section 526.10, the person shall serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence the person shall be transferred to a facility designated by the commissioner of human services.~~

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective August 1, 1992, and applies to sentences imposed on or after that date.

ARTICLE 4

OTHER PENALTY PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that

party in said action, a fee of $85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of $85.

The party requesting a trial by jury shall pay $30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $5, plus 25 cents per page after the first page, and $3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, $3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(7) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(9) For the filing of each partial, final, or annual account in all trusteeships, $10.

(10) For the deposit of a will, $5.

(11) *When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of $5.*

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 2. Minnesota Statutes 1991 Supplement, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than $25 nor more than $50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than $100, the court shall impose a surcharge on the fine of ~~ten~~ *20* percent of the fine. This

section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony, $25;

(2) for a person charged with a gross misdemeanor, $15;

(3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, $10; and

(4) for a person charged with a local ordinance violation other than a parking or traffic violation, $5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

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

(d) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of $25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 3. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] *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.

Sec. 4. Minnesota Statutes 1990, section 609.184, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] (a) A "heinous crime" is:

(1) a violation *or attempted violation* of section 609.185~~,~~ *or* 609.19~~,~~*:*

(2) a violation of section 609.195~~,~~ *or 609.221;* or

(3) a violation of section 609.342 ~~or~~, 609.343, *or 609.344*, if the offense was committed with force or violence.

(b) "Previous conviction" means a conviction in Minnesota of a heinous crime or a conviction elsewhere for conduct that would have been a heinous crime under this chapter if committed in Minnesota. The term includes any conviction that occurred before the commission of the present offense of conviction, but does not include a conviction if 15 years have elapsed since the person was discharged from the sentence imposed for the offense.

Sec. 5. Minnesota Statutes 1990, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and

the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, ~~or~~ 609.378, *or 609.713*.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, ~~or~~ 609.223, *609.224, 609.342, 609.343, 609.344; 609.345, or 609.713*; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 6. Minnesota Statutes 1990, section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.]

Whoever does ~~either~~ *any* of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) Causes the death of a human being with intent to effect the death of that person or another, but without premeditation~~, or~~;

(2) Causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence; *or*

(3) Causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection issued under chapter 518B and the victim is a person designated to receive protection under the order.

Sec. 7. Minnesota Statutes 1990, section 609.222, is amended to read:

609.222 [ASSAULT IN THE SECOND DEGREE.]

Subdivision 1. [DANGEROUS WEAPON.] Whoever assaults another with a dangerous weapon may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than $14,000, or both.

Subd. 2. [DANGEROUS WEAPON; SUBSTANTIAL BODILY HARM.] *Whoever assaults another with a dangerous weapon and inflicts substantial bodily harm may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.*

Sec. 8. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC EMPLOYEES WITH MANDATED DUTIES.] *A person is guilty of a gross misdemeanor who:*

(1) assaults an agricultural inspector, child protection worker, public health nurse, or probation or parole officer while the employee is engaged

in the performance of a duty mandated by law, court order, or ordinance;

(2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and

(3) inflicts demonstrable bodily harm.

Sec. 9. Minnesota Statutes 1990, section 609.322, is amended to read:

609.322 [SOLICITATION, INDUCEMENT AND PROMOTION OF PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally does either of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $40,000, or both:

(1) solicits or induces an individual under the age of ~~13~~ *16* years to practice prostitution; or

(2) promotes the prostitution of an individual under the age of ~~13~~ *16* years.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both:

(1) Solicits or induces an individual at least ~~13~~ *16* but less than ~~16~~ *18* years of age to practice prostitution; or

(2) Solicits or induces an individual to practice prostitution by means of force; or

(3) Uses a position of authority to solicit or induce an individual to practice prostitution; or

(4) Promotes the prostitution of an individual in the following circumstances:

(a) The individual is at least ~~13~~ *16* but less than ~~16~~ *18* years of age; or

(b) The actor knows that the individual has been induced or solicited to practice prostitution by means of force; or

(c) The actor knows that a position of authority has been used to induce or solicit the individual to practice prostitution.

Subd. 2. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) ~~Solicits or induces an individual at least 16 but less than 18 years of age to practice prostitution; or~~

~~(2)~~ Solicits or induces an individual to practice prostitution by means of trick, fraud, or deceit; or

~~(3)~~ *(2)* Being in a position of authority, consents to an individual being taken or detained for the purposes of prostitution; or

~~(4)~~ *(3)* Promotes the prostitution of an individual in the following circumstances:

(a) ~~The individual is at least 16 but less than 18 years of age; or~~

~~(b)~~ The actor knows that the individual has been induced or solicited to practice prostitution by means of trick, fraud or deceit; or

~~(c)~~ *(b)* The actor knows that an individual in a position of authority has consented to the individual being taken or detained for the purpose of prostitution.

Subd. 3. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both:

(1) Solicits or induces an individual 18 years of age or above to practice prostitution; or

(2) Promotes the prostitution of an individual 18 years of age or older.

Sec. 10. Minnesota Statutes 1990, section 609.323, is amended to read:

609.323 [RECEIVING PROFIT DERIVED FROM PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of ~~13~~ *16* years, may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 1a, clause (4), may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 2. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 2, clause ~~(4)~~ *(3)* may be sentenced to not more than three years imprisonment or to payment of a fine of not more than $5,000, or both.

Subd. 3. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution of an individual 18 years of age or above may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Subd. 4. This section does not apply to the sale of goods or services to a prostitute in the ordinary course of a lawful business.

Sec. 11. Minnesota Statutes 1990, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] The following people are guilty of neglect or endangerment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

(a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation substantially harms *or is likely to substantially harm* the child's physical or emotional health is guilty of neglect of a child. If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by:

(1) intentionally causing or permitting a child to be placed in a situation likely to substantially harm the child's physical or mental health or cause the child's death; *or*

(2) knowingly causing or permitting the child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of section 152.021, 152.022, 152.023, or 152.024;

is guilty of child endangerment.

This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a).

Sec. 12. [REPORT ON CRIMINAL FINE ASSESSMENTS.]

By December 31, 1992, the state court administrator shall report the results of the conference of chief judges fine management study to the chairs of the house and senate judiciary committees. The report shall include the following information:

(1) data on the total amount of fines imposed on persons convicted of misdemeanor, gross misdemeanor, and felony offenses in each judicial district;

(2) the current status of fine collection in each court in Minnesota, including amounts in a receivable status and an evaluation of the probability of collection;

(3) an evaluation of various fine collection strategies, including the results of pilot fine collection projects; and

(4) the policies and procedures adopted by the conference as a result of the study that are expected to improve the collection of fines.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5

CRIME VICTIMS

Section 1. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public ~~post-secondary system and each public post-secondary institution shall~~ *technical college, community college, or state university shall, and the University of Minnesota is requested to,* adopt a clear, understandable written policy on sexual harassment and sexual violence *that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the crime victims reparations board and the office of the crime victim ombudsman.* The policy must apply to students and employees and must provide information about their rights and duties. *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.* It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each ~~public post-secondary institution shall~~ *technical college, community college, or state university shall, and the University of Minnesota is requested to,* provide each student with information regarding its policy. *A copy of the policy also shall be posted at appropriate locations on campus at all times.* Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS' RIGHTS.] *The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:*

(1) filing criminal charges with local law enforcement officials in sexual assault cases;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and ~~disciplinary~~ authorities of a sexual assault incident;

(3) an investigation and resolution of a sexual assault complaint by campus disciplinary authorities;

(4) a sexual assault victim's participation in and the presence of the victim's attorney or other support person at any campus disciplinary proceeding concerning a sexual assault complaint;

(5) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;

(6) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual assault incident;

(7) the assistance of campus authorities in preserving for a sexual assault

complainant or victim materials relevant to a campus disciplinary proceeding; and

(8) the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible.

Sec. 2. Minnesota Statutes 1990, section 260.155, is amended by adding a subdivision to read:

Subd. 1b. [RIGHT OF ALLEGED VICTIM TO PRESENCE OF SUPPORTIVE PERSON.] *Notwithstanding any provision of subdivision 1 to the contrary, in any delinquency proceedings in which the alleged victim of the delinquent act is testifying in court, the victim may choose to have a supportive person who is not scheduled to be a witness in the proceedings, present during the testimony of the victim.*

Sec. 3. Minnesota Statutes 1990, section 595.02, subdivision 4, is amended to read:

Subd. 4. [COURT ORDER.] (a) In a proceeding in which a child less than ~~ten~~ *12* years of age is alleging, denying, or describing*:*

(1) an act of physical abuse or an act of sexual contact or penetration performed with or on the child *or any other person* by another*; or*

(2) an act that constitutes a crime of violence committed against the child or any other person, the court may, upon its own motion or upon the motion of any party, order that the testimony of the child be taken in a room other than the courtroom or in the courtroom and televised at the same time by closed-circuit equipment, or recorded for later showing to be viewed by the jury in the proceeding, *to minimize the trauma to the child of testifying in the courtroom setting and, where necessary, to provide a setting more amenable to securing the child witness's uninhibited, truthful testimony.*

(b) At the taking of testimony under this subdivision, only the judge, the attorneys for the defendant and for the state, any person whose presence would contribute to the welfare and well-being of the child, persons necessary to operate the recording or closed-circuit equipment and, in a child protection proceeding under chapter 260 or a dissolution or custody proceeding under chapter 518, the attorneys for those parties with a right to participate may be present with the child during the child's testimony.

(c) The court shall permit the defendant in a criminal or delinquency matter to observe and hear the testimony of the child in person. If the court, upon its own motion or the motion of any party, ~~determines~~ *finds in a hearing conducted outside the presence of the jury*, that the presence of the defendant during testimony taken pursuant to this subdivision would psychologically traumatize the witness so as to render the witness unavailable to testify, the court may order that the testimony be taken in a manner that:

(1) the defendant can see and hear the testimony of the child in person and communicate with counsel, but the child cannot see or hear the defendant; or

(2) the defendant ~~and child can view each other~~ *can see and hear the testimony of the child* by video or television monitor from *a* separate ~~rooms~~

room and communicate with counsel, but the child cannot see or hear the defendant.

(d) As used in this subdivision, "crime of violence" has the meaning given it in section 624.712, subdivision 5, and includes violations of section 609.26.

Sec. 4. Minnesota Statutes 1990, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; and

(b) The right to be present at the sentencing hearing and to express *orally or* in writing, *at the victim's option,* any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 5. Minnesota Statutes 1990, section 611A.034, is amended to read:

611A.034 [SEPARATE WAITING AREAS IN COURTHOUSE.]

The court shall provide a waiting area for victims during court proceedings which is separate from the waiting area used by the defendant, the defendant's relatives, and defense witnesses, if such a waiting area is available and its use is practical. If a separate waiting area for victims is not available or practical, the court shall provide other safeguards to minimize the victim's contact with the defendant, the defendant's relatives, and defense witnesses during court proceedings, *such as increased bailiff surveillance and victim escorts.*

Sec. 6. Minnesota Statutes 1990, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to ~~request that~~ *receive* restitution ~~be considered~~ as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender *if the offender is convicted or found delinquent.* The ~~request for restitution shall be made by the victim in writing in affidavit form. The request~~ *court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form. Information submitted relating to restitution* must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if ~~the request is for monetary~~ *restitution is in the form of money* or property ~~restitution~~. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. In order to be considered ~~by the court, the request~~ *at the sentencing or dispositional hearing, all information regarding restitution* must be received by the court administrator of the appropriate court ~~at least three business days before the sentencing or~~

~~dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing~~ *and must also be provided to the offender at least three business days before the sentencing or dispositional hearing. If the victim's noncooperation prevents the court or its designee from obtaining competent evidence regarding restitution, the court is not obligated to consider information regarding restitution in the sentencing or dispositional hearing. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts.*

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation or supervised release;

(2) ~~a request for~~ *information regarding* restitution ~~is filed by the victim or prosecutor in affidavit form~~ *was submitted* as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if ~~a request for restitution has been made~~ *information relating to restitution has been presented.* If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution.

Sec. 7. Minnesota Statutes 1990, section 611A.04, subdivision 1a, is amended to read:

Subd. 1a. [CRIME BOARD REQUEST.] The crime victims reparations board may request restitution on behalf of a victim by filing a copy of a claim for reparations submitted under sections 611A.52 to 611A.67, along with orders of the board, if any, which detail any amounts paid by the board to the victim. *The board may file the claim with the court administrator or with the person or agency the court has designated to obtain information relating to restitution. In either event, the board shall submit the claim not less than three business days before the sentencing or dispositional hearing. If the board submits the claim directly to the court administrator, it shall also provide a copy to the offender.* The filing of a claim for reparations with the court administrator shall also serve as a request for restitution by the victim. The restitution requested by the board may be considered to be both on its own behalf and on behalf of the victim. If the board has not paid reparations to the victim, restitution may be made directly to the victim. If the board has paid reparations to the victim, the court shall order restitution payments to be made directly to the board.

Sec. 8. Minnesota Statutes 1990, section 611A.52, subdivision 6, is amended to read:

Subd. 6. [CRIME.] (a) "Crime" means conduct that:

(1) occurs or is attempted anywhere within the geographical boundaries of this state, including Indian reservations and other trust lands;

(2) poses a substantial threat of personal injury or death; and

(3) is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that *(i)* the person engaging in the conduct lacked capacity to commit the crime under the laws of this state; *or (ii) the act was alleged or found to have been committed by a juvenile.*

(b) A crime occurs whether or not any person is prosecuted or convicted but the conviction of a person whose acts give rise to the claim is conclusive evidence that a crime was committed unless an application for rehearing, appeal, or petition for certiorari is pending or a new trial or rehearing has been ordered.

(c) "Crime" does not include an act involving the operation of a motor vehicle, aircraft, or watercraft that results in injury or death, except that a crime includes any of the following:

(1) injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or watercraft;

(2) injury or death caused by a driver in violation of section 169.09, subdivision 1; 169.121; or 609.21; and

(3) injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which the driver knowingly and willingly participated.

Sec. 9. [611A.711] [CRIME VICTIM SERVICES TELEPHONE LINE.]

The commissioner of public safety shall operate at least one statewide toll-free 24-hour telephone line for the purpose of providing crime victims with referrals for victim services and resources.

Sec. 10. [611A.76] [MEDIATION PROGRAMS FOR CRIME VICTIMS AND OFFENDERS.]

Subdivision 1. [GRANTS.] *The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent crime or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent offense, and "nonviolent crime" and "nonviolent offense" exclude any offense in which the victim is a family or household member, as defined in section 518B.01, subdivision 2.*

Subd. 2. [PROGRAMS.] *The state court administrator shall award grants to further the following goals:*

(1) to expand existing mediation programs for crime victims and juvenile offenders to also include adult offenders;

(2) to initiate victim-offender mediation programs in areas that have no victim-offender mediation programs;

(3) to expand the opportunities for crime victims to be involved in the criminal justice process;

(4) to evaluate the effectiveness of victim-offender mediation programs in reducing recidivism and encouraging the payment of court-ordered restitution; and

(5) to evaluate the satisfaction of victims who participate in the mediation programs.

Subd. 3. [MEDIATOR QUALIFICATIONS.] *The state court administrator shall establish criteria to ensure that mediators participating in the program are qualified.*

Subd. 4. [MATCH REQUIRED.] *A nonprofit organization may not receive a grant under this section unless the group has raised a matching amount from other sources.*

Sec. 11. [EFFECTIVE DATE.]

Sections 5 to 8 are effective August 1, 1992, and apply to crimes committed on or after that date. Sections 2 and 3 are effective August 1, 1992, and apply to proceedings conducted on or after that date.

ARTICLE 6

DOMESTIC ABUSE AND HARASSMENT

Section 1. [480.30] [JUDICIAL TRAINING ON DOMESTIC ABUSE.]

The supreme court's judicial education program on domestic abuse must include ongoing training for district court judges on domestic abuse laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 2. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. [FILING FEE.] The filing fees for an order for protection under this section are waived for the petitioner. *The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner.* The court shall ~~also~~ direct payment of the reasonable costs of service of process ~~in the manner provided in section 563.01, whether served by a sheriff,~~ *if served by a* private process server~~,~~ *when the sheriff is unavailable* or *if service is made* by publication, *without requiring the petitioner to make application under section 563.01*. The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.

Sec. 3. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 4, is amended to read:

Subd. 4. [ORDER FOR PROTECTION.] There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or on behalf of minor family or household members.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The clerk of court shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(e) The court shall advise a petitioner under clause (d) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(f) The court shall advise a petitioner under clause (d) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(g) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

Sec. 4. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. *Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required.* If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's ~~deliberation under this subdivision~~ *decision on custody and visitation* shall in no way delay the issuance of an order for protection granting other reliefs provided for in ~~Laws 1985, chapter 195~~ *this section*;

(4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

(5) provide upon request of the petitioner counseling or other social

services for the parties, if married, or if there are minor children;

(6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment; ~~and~~

(9) *order the abusing party to pay restitution to the petitioner; and*

(10) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 5. Minnesota Statutes 1990, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [TEMPORARY ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte temporary order for protection, pending a full hearing, and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court; and

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party

at the petitioner's place of employment.

(b) *A finding by the court that there is a basis for issuing an ex parte temporary order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte temporary relief.*

(c) An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days, except for good cause as provided under paragraph ~~(c)~~ *(d)*. A full hearing, as provided by this section, shall be set for not later than seven days from the issuance of the temporary order. The respondent shall be served forthwith a copy of the ex parte order along with a copy of the petition and notice of the date set for the hearing.

~~(c)~~ *(d)* When service is made by published notice, as provided under subdivision 5, the petitioner may apply for an extension of the period of the ex parte order at the same time the petitioner files the affidavit required under that subdivision. The court may extend the ex parte temporary order for an additional period not to exceed 14 days. The respondent shall be served forthwith a copy of the modified ex parte order along with a copy of the notice of the new date set for the hearing.

Sec. 6. Minnesota Statutes 1990, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] *(a)* An order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection must be forwarded by the court administrator to the new law enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction

over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence.

Sec. 7. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. *Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence.* A person who violates this paragraph within two years after a previous conviction under this paragraph *or within two years after a previous conviction under a similar law of another state,* is guilty of a gross misdemeanor. ~~When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration.~~ *Upon conviction, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.*

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. *The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer.* A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of

commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 8. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 20. [STATEWIDE APPLICATION.] *An order for protection granted under this section applies throughout this state.*

Sec. 9. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 21. [ORDER FOR PROTECTION FORMS.] *The state court administrator, in consultation with the advisory council on battered women, city and county attorneys, and legal advocates who work with victims, shall develop a uniform order for protection form that will facilitate the consistent enforcement of orders for protection throughout the state.*

Sec. 10. Minnesota Statutes 1990, section 609.02, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC MONITORING DEVICE.] *As used in sections 609.135, subdivision 5b, 611A.07, and 629.72, subdivision 2a, "electronic monitoring device" means a radio frequency transmitter unit that is worn at all times on the person of a defendant in conjunction with a receiver unit that is located in the victim's residence or on the victim's person. The receiver unit emits an audible and visible signal whenever the defendant with a transmitter unit comes within a designated distance from the receiver unit.*

Sec. 11. Minnesota Statutes 1990, section 609.135, subdivision 5, is

amended to read:

Subd. 5. If a person is convicted of assaulting a spouse or other person with whom the person resides, and the court stays imposition or execution of sentence and places the defendant on probation, the court ~~may~~ *must* condition the stay upon the defendant's participation in counseling or other appropriate programs selected by the court.

Sec. 12. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5b. [DOMESTIC ABUSE VICTIMS; ELECTRONIC MONITORING.] *(a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of a stay of imposition or execution of a sentence, may not order an offender convicted of a crime described in paragraph (b) to use an electronic monitoring device to protect a victim's safety.*

(b) This subdivision applies to the following crimes, if committed by the defendant against a family or household member as defined in section 518B.01, subdivision 2:

(1) violations of orders for protection issued under chapter 518B;

(2) assault in the first, second, third, or fifth degree under section 609.221, 609.222, 609.223, or 609.224;

(3) criminal damage to property under section 609.595;

(4) disorderly conduct under section 609.72;

(5) harassing telephone calls under section 609.79;

(6) burglary under section 609.582;

(7) trespass under section 609.605;

(8) criminal sexual conduct in the first, second, third, fourth, or fifth degree under section 609.342, 609.343, 609.344, 609.345, or 609.3451; and

(9) terroristic threats under section 609.713.

(c) Notwithstanding paragraph (a), the judges in the tenth judicial district may order, as a condition of a stay of imposition or execution of a sentence, a defendant convicted of a crime described in paragraph (b), to use an electronic monitoring device to protect the victim's safety. The judges shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 13. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 ~~or~~, sections 609.221 to 609.2231, *or any similar law of another state,* may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Sec. 14. 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. 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.

Sec. 15. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF PETITION; *HEARING; NOTICE.*] *(a)* A petition for relief must allege facts sufficient to show the following:

(1) the name of the alleged harassment victim;

(2) the name of the respondent; and

(3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section and shall advise the petitioner of the right to sue in forma pauperis under section 563.01. *Upon receipt of the petition, the court shall order a hearing, which must be held not later than 14 days from the date of the order. Personal service must be made upon the respondent not less than five days before the hearing. If personal service cannot be completed in time to give the respondent the minimum notice required under this paragraph, the court may set a new hearing date.*

(b) Notwithstanding paragraph (a), the order for a hearing and a temporary order issued under subdivision 4 may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the petition and order for hearing and any temporary restraining order has been mailed to the respondent at the respondent's residence or the respondent's residence is not known to the petitioner.

Sec. 16. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that

person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. *A copy of the restraining order must be served on the respondent along with the order for hearing and petition, as provided in subdivision 3.* A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within 14 days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is extended by the court for one additional 14-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the exercise of due diligence *or if service is made by published notice under subdivision 3 and the petitioner files the affidavit required under that subdivision.*

Sec. 17. Minnesota Statutes 1990, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under *subdivision 3*, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition. Relief granted by the restraining order must be for a fixed period of not more than two years.

(b) ~~The order may be served on the respondent by means of a one-week published notice under section 645.11, if:~~

~~(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and~~

~~(2) a copy of the order is mailed to the respondent at the respondent's residence or the respondent is not known to the petitioner.~~

~~Service under this paragraph is complete seven days after publication~~ *An order issued under this subdivision must be personally served upon the respondent.*

Sec. 18. Minnesota Statutes 1990, section 611A.0311, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] ~~The commissioner of public safety shall select five county attorneys and five city attorneys whose jurisdictions~~

~~have higher than a 50 percent dismissal rate of domestic abuse cases and direct them to~~ *Each county and city attorney shall* develop and implement a written plan to expedite and improve the efficiency and just disposition of domestic abuse cases brought to the prosecuting authority. Domestic abuse advocates, *law enforcement officials*, and other interested members of the public must have an opportunity to assist in the ~~development of a model plan and in the~~ development or adaptation of the plans in each ~~of the jurisdictions selected for the pilot program~~ *jurisdiction*. ~~Once a model plan is developed.~~ The commissioner shall make ~~it~~ *the model and related training and technical assistance* available to all city and county attorneys ~~regardless of whether they are participating in the pilot program~~. All plans must state goals and contain policies and procedures to address the following matters:

(1) early assignment of a trial prosecutor who has the responsibility of handling the domestic abuse case through disposition, whenever feasible, or, where applicable, probation revocation; and early contact between the trial prosecutor and the victim;

(2) procedures to facilitate the earliest possible contact between the prosecutor's office and the victim for the purpose of acquainting the victim with the criminal justice process, the use of subpoenas, the victim's role as a witness in the prosecution, and the domestic abuse or victim services that are available;

(3) procedures to coordinate the trial prosecutor's efforts with those of the domestic abuse advocate or victim advocate, where available, and to facilitate the early provision of advocacy services to the victim;

(4) *procedures to encourage the prosecution of all domestic abuse cases where a crime can be proven;*

(5) methods that will be used to identify, gather, and preserve evidence in addition to the victim's in-court testimony that will enhance the ability to prosecute a case when a victim is reluctant to assist, including but not limited to physical evidence of the victim's injury, evidence relating to the scene of the crime, eyewitness testimony, and statements of the victim made at or near the time of the injury;

~~(5)~~ *(6)* procedures for educating local law enforcement agencies about the contents of the plan and their role in assisting with its implementation;

~~(6)~~ *(7)* the use for subpoenas to victims and witnesses, where appropriate;

~~(7)~~ *(8)* procedures for annual review of the plan to evaluate whether it is meeting its goals effectively and whether improvements are needed; and

~~(8)~~ *(9)* a timetable for implementation.

Sec. 19. Minnesota Statutes 1990, section 611A.0311, subdivision 3, is amended to read:

Subd. 3. [~~COPY~~ *NOTICE* FILED WITH DEPARTMENT OF PUBLIC SAFETY.] ~~A copy of the written plan must be filed with the commissioner of public safety on or before November 15, 1990. The~~ *Each* city and county ~~attorneys selected for the pilot program~~ *attorney* shall file a ~~status report on the pilot program~~ *notice that a prosecution plan has been adopted with the commissioner of public safety* by ~~January 1, 1992. The status report must contain information on the number of prosecutions and dismissals of domestic abuse cases in the prosecutor's office~~ *June 1, 1994*.

Sec. 20. [611A.07] [ELECTRONIC MONITORING TO PROTECT

DOMESTIC ABUSE VICTIMS; STANDARDS.]

Subdivision 1. [GENERALLY.] *The commissioner of corrections, after considering the recommendations of the battered women advisory council and the sexual assault advisory council, and in collaboration with the commissioner of public safety, shall adopt standards governing electronic monitoring devices used to protect victims of domestic abuse. In developing proposed standards, the commissioner shall consider the experience of the courts in the tenth judicial district in the use of the devices to protect victims of domestic abuse. These standards shall promote the safety of the victim and shall include measures to avoid the disparate use of the device with communities of color, product standards, monitoring agency standards, and victim disclosure standards.*

Subd. 2. [REPORT TO LEGISLATURE.] *By January 1, 1993, the commissioner of corrections shall report to the legislature on the proposed standards for electronic monitoring devices used to protect victims of domestic abuse.*

Sec. 21. Minnesota Statutes 1991 Supplement, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs which provide emergency shelter services and support services to battered women and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. *By July 1, 1995, community-based domestic abuse advocacy and support services programs must be established in every judicial assignment district.*

Sec. 22. [629.342] [LAW ENFORCEMENT POLICIES FOR DOMESTIC ABUSE ARRESTS.]

Subdivision 1. [DEFINITION.] *For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.*

Subd. 2. [POLICIES REQUIRED.] *(a) Each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests, include consideration of whether one of the parties acted in self defense, and provide guidance to officers concerning instances in which officers should remain at the scene of a domestic abuse incident until the likelihood of further imminent violence has been eliminated.*

(b) The bureau of criminal apprehension, the board of peace officer standards and training, and the battered women's advisory council appointed by the commissioner of corrections under section 611A.34, in consultation with the Minnesota chiefs of police association, the Minnesota sheriffs association, and the Minnesota police and peace officers association, shall develop a written model policy regarding arrest procedures for domestic

abuse incidents for use by local law enforcement agencies. Each law enforcement agency may adopt the model policy in lieu of developing its own policy under the provisions of paragraph (a).

(c) Local law enforcement agencies that have already developed a written policy regarding arrest procedures for domestic abuse incidents before the effective date of this subdivision are not required to develop a new policy but must review their policies and consider the written model policy developed under paragraph (b).

Subd. 3. [ASSISTANCE TO VICTIM WHERE NO ARREST.] *If a law enforcement officer does not make an arrest when the officer has probable cause to believe that a person is committing or has committed domestic abuse or violated an order for protection, the officer shall provide immediate assistance to the victim. Assistance includes:*

(1) assisting the victim in obtaining necessary medical treatment; and

(2) providing the victim with the notice of rights under section 629.341, subdivision 3.

Subd. 4. [IMMUNITY.] *A peace officer acting in good faith and exercising due care in providing assistance to a victim pursuant to subdivision 3 is immune from civil liability that might result from the officer's action.*

Sec. 23. [629.531] [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.]

If a court orders electronic monitoring as a condition of pretrial release, it may not use the electronic monitoring as a determining factor in deciding what the appropriate level of the defendant's money bail or appearance bond should be.

Sec. 24. Minnesota Statutes 1990, section 629.72, is amended by adding a subdivision to read:

Subd. 2a. [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.] *(a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect a victim's safety.*

(b) Notwithstanding paragraph (a), district courts in the tenth judicial district may order, as a condition of a release, a person arrested on a charge of a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect the victim's safety. The courts shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 25. Minnesota Statutes 1990, section 630.36, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

(1) indictments or complaints for felony, where the defendant is in custody;

(2) indictments or complaints for misdemeanor, where the defendant is in custody;

(3) indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;

(4) *indictments or complaints alleging domestic assault, as defined in subdivision 3, where the defendant is on bail;*

(5) indictments or complaints for felony, where the defendant is on bail; and

~~(5)~~ *(6)* indictments or complaints for misdemeanor, where the defendant is on bail.

After a plea, the defendant shall be entitled to at least four days to prepare for trial, if the defendant requires it.

Sec. 26. Minnesota Statutes 1990, section 630.36, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULT DEFINED.] *As used in subdivision 1, "domestic assault" means an assault committed by the actor against a family or household member, as defined in section 518B.01, subdivision 2.*

Sec. 27. [EFFECTIVE DATE.]

Sections 4, paragraph (a), clause (3); and 5 are effective the day following final enactment.

Sections 7, 11, and 13 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 7

JUVENILES

Section 1. Minnesota Statutes 1990, section 260.125, subdivision 3a, is amended to read:

Subd. 3a. [PRIOR REFERENCE; EXCEPTION.] Notwithstanding the provisions of subdivisions 2 and 3, the court shall order a reference in any case where the prosecutor shows that the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to either a hearing held under subdivision 2 or pursuant to the waiver of the right to such a hearing, other than a prior reference in the same case.

This subdivision only applies if the child is convicted of the offense or offenses for which the child was prosecuted pursuant to the order of reference or of a lesser included offense which is a felony.

This subdivision does not apply to juvenile offenders who are subject to criminal court jurisdiction under section 609.055.

Sec. 2. Minnesota Statutes 1990, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly

qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, *or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense,* or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of public safety shall reimburse the court for the cost of the chemical use assessment, up to a maximum of $100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 3. Minnesota Statutes 1990, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. *If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court.* When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct

interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 4. Minnesota Statutes 1990, section 260.161, subdivision 1, is amended to read:

Subdivision 1. *(a)* The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. *Except as provided in paragraph (b),* the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 5. Minnesota Statutes 1990, section 260.161, is amended by adding a subdivision to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] *(a) The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles adjudicated delinquent for having committed an act described in subdivision 1, paragraph (b):*

(1) the name and birth date of the juvenile;

(2) the type of act for which the juvenile was adjudicated delinquent and date of the offense; and

(3) the date and county of the adjudication.

(b) The bureau shall retain data on a juvenile until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

Sec. 6. Minnesota Statutes 1990, section 260.172, subdivision 1, is amended to read:

Subdivision 1. (a) If a child was taken into custody under section 260.165, subdivision 1, clause (a) or (c)(2), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in custody.

(b) In all other cases, the court shall hold a detention hearing:

(1) within 36 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at a juvenile secure detention facility or shelter care facility; or

(2) within 24 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at an adult jail or municipal lockup.

(c) Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, *subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260.151, subdivision 1.* In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 7. Minnesota Statutes 1990, section 260.181, is amended by adding a subdivision to read:

Subd. 3a. [REPORTS; JUVENILES PLACED OUT OF STATE.] *(a) Whenever a child is placed in a residential program located outside of this state pursuant to a disposition order issued under section 260.185 or 260.191, the juvenile court administrator shall report the following information to the state court administrator:*

(1) the fact that the placement is out of state;

(2) the type of placement; and

(3) the reason for the placement.

(b) By July 1, 1994, and each year thereafter, the state court administrator shall file a report with the legislature containing the information reported under paragraph (a) during the previous calendar year.

Sec. 8. Minnesota Statutes 1990, section 260.185, is amended by adding a subdivision to read:

Subd. 1a. [POSSESSION OF FIREARM.] *If the child is petitioned and found delinquent by the court, and the court also finds that the child was in possession of a firearm at the time of the offense, in addition to any other disposition the court shall order that the firearm be immediately seized and shall order that the child be required to serve at least 100 hours of community work service unless the child is placed in a residential treatment program or a juvenile correctional facility.*

Sec. 9. Minnesota Statutes 1990, section 260.185, subdivision 4, is amended to read:

Subd. 4. All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual ~~is no longer a minor~~ *becomes 19 years of age*. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 10. [299C.095] [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES.]

The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 5. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to a person who has access to the juvenile court records as provided in section 260.161 or under court rule.

Sec. 11. Minnesota Statutes 1990, section 546.27, subdivision 1, is amended to read:

Subdivision 1. *(a)* When an issue of fact has been tried by the court, the decision shall be in writing, the facts found and the conclusion of law shall be separately stated, and judgment shall be entered accordingly. *Except as provided in paragraph (b),* all questions of fact and law, and all motions and matters submitted to a judge for a decision in trial and appellate matters, shall be disposed of and the decision filed with the court administrator within 90 days after such submission, unless sickness or casualty shall prevent, or the time be extended by written consent of the parties. No part

of the salary of any judge shall be paid unless the voucher therefor be accompanied by a certificate of the judge that there has been full compliance with the requirements of this section.

(b) If a hearing has been held on a petition under chapter 260 involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the decision must be filed within 15 days after the matter is submitted to the judge.

Sec. 12. Minnesota Statutes 1990, section 609.055, is amended to read:

609.055 [LIABILITY OF CHILDREN.]

Subdivision 1. [GENERAL RULE.] Children under the age of 14 years are incapable of committing crime.

Subd. 2. [ADULT PROSECUTION.] Children of the age of 14 years or over but under 18 years may be prosecuted for a criminal offense if the alleged violation is duly referred to the appropriate prosecuting authority in accordance with the provisions of chapter 260. *A child who is 16 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a felony if:*

(1) the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to a hearing under section 260.125, subdivision 2, or pursuant to the waiver of the right to such a hearing, or prosecuted pursuant to this subdivision; and

(2) the child was convicted of the felony offense or offenses for which the child was prosecuted or of a lesser included felony offense.

Sec. 13. [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 20 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;

(9) two public members appointed by the governor, one of whom is a

victim of crime; and

(10) 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.*

Sec. 14. [PLAN TO INCREASE OPPORTUNITIES FOR JUVENILES AND YOUNG ADULTS.]

Subdivision 1. [COMPREHENSIVE PLAN.] *The advisory task force on mentoring and community service shall, by January 15, 1993, propose to the legislature a comprehensive plan to improve and increase opportunities for juveniles and young adults to engage in meaningful service and work that benefits communities and the state. The plan shall reflect the legislature's intent to prevent crime and to minimize the expenditure of limited corrections resources by engaging young people in constructive alternatives to criminal and other antisocial activities. The plan shall also reflect the legislature's recognition that each young person has significant strengths, and that state investment should build on these strengths rather than plan for failure. The plan must include at least the following components:*

(1) an analysis of the fiscal impact of the state's sentencing and corrections policies, including unfunded liabilities for state and local governments;

(2) policies to assure school-to-work transition for noncollege bound young adults;

(3) policies to improve community service opportunities for young people;

(4) policies to assure well-supervised summer and year-round employment opportunities that teach young people a strong work ethic;

(5) policies to improve role models for young people by increasing mentoring and tutoring opportunities; and

(6) recommendations for funding new programs, including redirecting and reprioritizing existing resources.

Subd. 2. [LEGISLATIVE MEMBERS.] *The speaker of the house and the majority leader of the senate shall each appoint three legislators to serve as nonvoting members of the advisory task force.*

Subd. 3. [CONSULTATION.] *In developing the plan required by subdivision 1, the advisory task force on mentoring and community service shall consult with the department of jobs and training, the department of natural resources, the higher education coordinating board, the office of volunteer services, the department of education, and other appropriate agencies.*

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 12 are effective August 1, 1992, and apply to violations occurring on or after that date. Section 13 is effective the day following final enactment.

ARTICLE 8

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, 1994, 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 under, 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, or another offense arising out of a charge or delinquency petition based on one or more of those sections. 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 ~~treatment~~ 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. [EFFECTIVE DATE.]

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

ARTICLE 9

PROCEDURAL PROVISIONS

Section 1. Minnesota Statutes 1990, section 631.035, is amended to read:

631.035 [~~JOINTLY CHARGED~~ *JOINDER OF* DEFENDANTS; ~~SEPARATE OR JOINT TRIALS~~.]

Subdivision 1. [JOINDER OF DEFENDANTS.] ~~When~~ Two or more defendants ~~are~~ *may be* jointly charged with a felony~~, they may be tried separately or jointly in the discretion of the court. In making its determination on whether to order joinder or separate trials, the court shall consider the nature of the offense charged, the impact on the victim, the potential prejudice to the defendant, and the interests of justice.~~ *and tried if they are alleged to have participated in the same act or transaction or in the same series of acts or transactions constituting an offense. The defendants may be charged in one or more counts and tried together or separately and all of the defendants need not be charged in each count.*

Subd. 2. [RELIEF FROM PREJUDICIAL JOINDER.] *If it appears that a defendant is prejudiced by a joinder of defendants in a complaint or indictment or by joinder for trial together, the court may, upon motion of the defendant or the court's own motion, order an election or separate trials of counts, grant a severance of defendants, or provide whatever other relief justice requires. In making its determination, the court shall consider the impact on the victim. In ruling on a motion by a defendant for severance, the court may order the prosecutor to deliver to the court for inspection in camera any statements or confessions made by the defendants which the prosecution intends to introduce in evidence at the trial.*

Sec. 2. [SUPREME COURT BAIL STUDY.]

The supreme court is requested to study whether guidelines should be adopted in the rules of criminal procedure governing the minimum amount of money bail that should be required in cases involving persons accused of crimes against the person. The supreme court is also requested to study whether the constitution and laws of this state should be amended to authorize the preventive detention of certain arrested persons who are accused of dangerous crimes.

ARTICLE 10

VIOLENCE PREVENTION

AND EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

(7) information on related community resources; ~~or~~

(8) *programs to prevent child abuse and neglect; or*

(9) other programs or activities to improve the health, development, and learning readiness of children.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 2. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 2b. [HOME VISITING PROGRAM.] *(a) The commissioner of education shall include as part of the early childhood family education programs a parent education component to prevent child abuse and neglect. This parent education component must include:*

(1) expanding statewide the home visiting component of the early childhood family education programs;

(2) training parent educators, child educators, and home visitors in the dynamics of child abuse and neglect and positive parenting and discipline

practices; and

(3) developing and distributing education and public information materials that promote positive parenting skills and prevent child abuse and neglect.

(b) The parent education component must:

(1) offer to isolated or at-risk families direct visiting parent education services that at least address parenting skills, a child's development and stages of growth, communication skills, managing stress, problem-solving skills, positive child discipline practices, methods of improving parent-child interactions and enhancing self-esteem, using community support services and other resources, and encouraging parents to have fun with and enjoy their children;

(2) develop a risk assessment tool to determine the family's level of risk;

(3) establish clear objectives and protocols for home visits;

(4) determine the frequency and duration of home visits based on a risk-need assessment of the client, with home visits beginning in the second trimester of pregnancy and continuing, based on client need, until a child is six years old;

(5) encourage families to make a transition from home visits to site-based parenting programs to build a family support network and reduce the effects of isolation;

(6) develop and distribute education materials on preventing child abuse and neglect that may be used in home visiting programs and parent education classes and distributed to the public;

(7) provide at least 40 hours of training for parent educators, child educators, and home visitors that covers the dynamics of child abuse and neglect, domestic violence and victimization within family systems, signs of abuse or other indications that a child may be at risk of being abused or neglected, what child abuse and neglect are, how to properly report cases of child abuse and neglect, respect for cultural preferences in child rearing, what community resources, social service agencies, and family support activities and programs are available, child development and growth, parenting skills, positive child discipline practices, identifying stress factors and techniques for reducing stress, home visiting techniques, and risk assessment measures;

(8) provide program services that are community-based, accessible, and culturally relevant; and

(9) foster collaboration among existing agencies and community-based organizations that serve young children and their families.

(c) Home visitors should reflect the demographic composition of the community the home visitor is serving to the extent possible.

Sec. 3. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, as amended by H.F. 2121, article 1, section 18, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND *VIOLENCE PREVENTION* PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to $15 times the number of actual pupil units shall be reserved and may be used

only to provide staff time for *in-service education for violence prevention programs under section 126.77, subdivision 2, or* staff development programs, including outcome-based education, under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to $5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61. A district may use up to $1 of the $5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 4. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 1, as amended by H.F. 2121, article 1, section 19, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 *for in-service education for violence prevention programs under section 126.77, subdivision 2, or* if it establishes a staff development advisory committee and adopts a staff development plan under this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. The advisory committee shall develop a staff development plan that includes related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Districts must submit approved plans to the commissioner.

Sec. 5. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan to accomplish any of the following purposes:

(1) foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;

(2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;

(3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

(5) evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; ~~and~~

(6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers;

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment.

Sec. 6. [126.77] [VIOLENCE PREVENTION EDUCATION.]

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] *(a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.*

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; and

(8) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Subd. 2. [IN-SERVICE TRAINING.] *Each district is encouraged to provide training for district staff and school board members to help students identify violence in the family and the community so that students may learn*

to resolve conflicts in effective, nonviolent ways. The in-service training must be ongoing and involve experts familiar with domestic violence and personal safety issues.

Subd. 3. [FUNDING SOURCES.] *Districts may accept funds from public and private sources for violence prevention programs developed and implemented under this section.*

Sec. 7. Minnesota Statutes 1990, section 127.46, is amended to read:

127.46 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual harassment and sexual violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted ~~in~~ *throughout* each school building and included in each school's student handbook on school policies. *Each school must develop a process for discussing the school's sexual harassment and violence policy with students and school employees.*

Sec. 8. [145.9265] [FETAL ALCOHOL SYNDROME AND EFFECTS AND DRUG-EXPOSED INFANT PREVENTION.]

The commissioner of health, in coordination with the commissioner of education and the commissioner of human services, shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The commissioner shall:

(1) conduct research to determine the most effective methods of preventing fetal alcohol syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods for collecting information on the incidence and prevalence of these problems in Minnesota;

(2) provide training on effective prevention methods to health care professionals and human services workers; and

(3) operate a statewide media campaign focused on reducing the incidence of fetal alcohol syndrome and fetal alcohol effects, and reducing the number of drug-exposed infants.

Sec. 9. [145A.15] [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] *The commissioner of health shall establish 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.] *(a) 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;

(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; and

(5) coordinate with other local home visitation programs, particularly those offered by school boards under section 121.882, subdivision 2b, so as to avoid duplication.

(b) 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. 10. Minnesota Statutes 1991 Supplement, section 245.484, is amended to read:

245.484 [RULES.]

The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and 245.487 to 245.4888. The commissioner shall reassign agency staff as necessary to meet this deadline.

By January 1, 1993, the commissioner shall adopt permanent rules specifying program requirements for family community support services.

Sec. 11. Minnesota Statutes 1990, section 245.4871, is amended by adding a subdivision to read:

Subd. 9a. [CRISIS ASSISTANCE.] *"Crisis assistance" means assistance to the child, family, and the child's school in recognizing and resolving a mental health crisis. It shall include, at a minimum, working with the child, family, and school to develop a crisis assistance plan. Crisis assistance does not include services designed to secure the safety of a child who is at risk of abuse or neglect or necessary emergency services.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 245.4884, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the

county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

(1) manage basic activities of daily living;

(2) function appropriately in home, school, and community settings;

(3) participate in leisure time or community youth activities;

(4) set goals and plans;

(5) reside with the family in the community;

(6) participate in after-school and summer activities;

(7) make a smooth transition among mental health and education services provided to children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incorporated in rule and in guidelines for grants for family community support services.

Sec. 13. 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. 14. 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. 15. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAMS 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. 16. [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 in amounts up to $150,000 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. 17. [256E.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. 18. [256.995] [SCHOOL-LINKED SERVICES FOR AT-RISK CHILDREN AND YOUTH.]

Subdivision 1. [PROGRAM ESTABLISHED.] *In order to enhance the delivery of needed services to at-risk children and youth and maximize federal funds available for that purpose, the commissioners of human services and education shall design a statewide program of collaboration between providers of health and social services for children and local school districts, to be financed, to the greatest extent possible, from federal sources. The commissioners of health and public safety shall assist the commissioners of human services and education in designing the program.*

Subd. 2. [AT-RISK CHILDREN AND YOUTH.] *The program shall target at-risk children and youth, defined as individuals, whether or not enrolled*

in school, who are under 21 years of age and who:

(1) are school dropouts;

(2) have failed in school;

(3) have become pregnant;

(4) are economically disadvantaged;

(5) are children of drug or alcohol abusers;

(6) are victims of physical, sexual, or psychological abuse;

(7) have committed a violent or delinquent act;

(8) have experienced mental health problems;

(9) have attempted suicide;

(10) have experienced long-term physical pain due to injury;

(11) are at risk of becoming or have become drug or alcohol abusers or chemically dependent;

(12) have experienced homelessness;

(13) have been excluded or expelled from school under sections 127.26 to 127.39; or

(14) have been adjudicated children in need of protection or services.

Subd. 3. [SERVICES.] *The program must be designed not to duplicate existing programs, but to enable schools to collaborate with county social service agencies and county health boards and with local public and private providers to assure that at-risk children and youth receive health care, mental health services, family drug and alcohol counseling, and needed social services. Screenings and referrals under this program shall not duplicate screenings under section 123.702.*

Subd. 4. [FUNDING.] *The program must be designed to take advantage of available federal funding, including the following:*

(1) child welfare funds under United States Code, title 42, sections 620-628 (1988) and United States Code, title 42, sections 651-669 (1988);

(2) funds available for health care and health care screening under medical assistance, United States Code, title 42, section 1396 (1988);

(3) social services funds available under United States Code, title 42, section 1397 (1988);

(4) children's day care funds available under federal transition year child care, the Family Support Act, Public Law Number 100-485; federal at-risk child care program, Public Law Number 101-5081; and federal child care and development block grant, Public Law Number 101-5082; and

(5) funds available for fighting drug abuse and chemical dependency in children and youth, including the following:

(i) funds received by the office of drug policy under the federal Anti-Drug Abuse Act and other federal programs;

(ii) funds received by the commissioner of human services under the federal alcohol, drug abuse, and mental health block grant; and

(iii) funds received by the commissioner of human services under the

drug-free schools and communities act.

Subd. 5. [WAIVERS.] *The commissioner of human services shall collaborate with the commissioners of education, health, and public safety to seek the federal waivers necessary to secure federal funds for implementing the statewide school-based program mandated by this section. Each commissioner shall amend the state plans for programs specified in subdivision 3, to the extent necessary to ensure the availability of federal funds for the school-based program.*

Subd. 6. [PILOT PROJECTS.] *Within 90 days of receiving the necessary federal waivers, the commissioners of human services and education shall implement at least two pilot programs that link health and social services in the schools. One program shall be located in a school district in the seven-county metropolitan area. The other program shall be located in a greater Minnesota school district. The commissioner of human services, in collaboration with the commissioner of education, shall select the pilot programs on a request for proposal basis. The commissioners shall give priority to school districts with some expertise in collocating services for at-risk children and youth. Programs funded under this subdivision must:*

(1) involve a plan for collaboration between a school district and at least two local social service or health care agencies to provide services for which federal funds are available to at-risk children or youth;

(2) include parents or guardians in program planning and implementation;

(3) contain a community outreach component; and

(4) include protocol for evaluating the program.

Subd. 7. [REPORT.] *The commissioners of human services and education shall report to the legislature by January 15, 1993, on the design and status of the statewide program for school-linked services. The report shall include the following:*

(1) a complete program design for assuring the implementation of health and human services for children within school districts statewide;

(2) a statewide funding plan based on the use of federal funds, including federal funds available only through waiver;

(3) copies of the waiver requests and information on the status of requests for federal approval;

(4) status of the pilot program development; and

(5) recommendations for statewide implementation of the school-linked services program.

Sec. 19. [260.152] [MENTAL HEALTH SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] *The commissioner of human services, in cooperation 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 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 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 all juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be delinquent as that term is defined in section 260.015, subdivision 5, who is admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

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

(3) upon completion of the assessment, access to or provision of nonresidential mental health services identified as needed in the assessment.

Subd. 3. [SCREENING TOOL.] *The commissioner of human services and the commissioner of corrections shall jointly develop a model screening tool to screen juveniles held in juvenile detention to determine if a mental health assessment is needed. This tool must contain specific questions to identify potential mental health problems. In implementing a pilot project, a county must either use this model tool or another screening tool approved by the commissioner of human services which 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 juveniles with emotional disturbances, 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 a program; development of written interagency agreements and protocols to ensure that the mental health 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;

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

(5) assurances that funds received by a county under this section will not be used to supplant existing mental health funding for which the juvenile is eligible.

The commissioner of human services and the commissioner of corrections shall jointly 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 between local court services agencies and local county mental health agencies 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 and the commissioner of corrections shall, in consultation with 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 departments must develop an interagency management information system to track juveniles who receive mental health and chemical dependency services. 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 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. [REPORT.] *On January 1, 1994, and annually after that, the commissioner of corrections and the commissioner of human services shall present a joint 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 services, the types of services provided, and the costs;

(3) the number of subsequently adjudicated juveniles that received mental health services under this program; and

(4) the estimated cost savings of the program and the impact on crime.

Sec. 20. Minnesota Statutes 1991 Supplement, section 299A.30, is amended to read:

299A.30 [OFFICE OF DRUG POLICY *AND VIOLENCE PREVENTION*.]

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy *and violence prevention* is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees. The assistant commissioner shall coordinate the *violence prevention activities and the* prevention and supply reduction activities of state and local agencies and provide one professional staff member to assist on a full-time basis the work of the chemical abuse prevention resource council.

Subd. 2. [DUTIES.] (a) *The assistant commissioner shall:*

(1) gather, develop, and make available throughout the state information and educational materials on preventing and reducing violence in the family and in the community, both directly and by serving as a clearinghouse for information and educational materials from schools, state and local agencies, community service providers, and local organizations;

(2) foster collaboration among schools, state and local agencies, community service providers, and local organizations that assist in violence intervention or prevention;

(3) assist schools, state and local agencies, service providers, and organizations, on request, with training and other programs designed to educate individuals about violence and reinforce values that contribute to ending violence;

(4) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a statewide strategy for preventing and reducing violence that encompasses the efforts of those agencies and takes into account all money available for preventing or reducing violence from any source;

(5) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a summary of activities occurring during the previous year to prevent or reduce violence experienced by children, young people, and their families; and

(6) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of activities to prevent or reduce violence within the family or community.

(b) The assistant commissioner shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

~~(b)~~ *(c)* The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the chemical abuse prevention resource council.

~~(c)~~ *(d)* The assistant commissioner shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve

the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) *in coordination with the chemical abuse prevention resource council, review, approve, and* coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 21. 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 ~~17~~ *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. 22. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council shall:

(1) assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;

(2) promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;

(3) oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;

(4) seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy *and violence prevention*;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local

law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

Sec. 23. 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 and violence prevention*, 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. 24. [299A.325] [STATE CHEMICAL HEALTH INDEX MODEL.]

The assistant commissioner of the office of drug policy and violence prevention and the chemical abuse prevention resource council shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 25. Minnesota Statutes 1991 Supplement, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy *and violence prevention*, in consultation with the chemical abuse prevention resource council, shall:

(1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 26. [STUDY; DEPARTMENT OF CORRECTIONS.]

The commissioner of corrections, in collaboration with the commissioner of human services and the assistant commissioner of the office of drug policy and violence prevention, shall conduct a comprehensive study of the availability and quality of appropriate treatment programs within the criminal or juvenile justice system for adult and juvenile offenders who are chemically dependent or abuse chemicals. In particular, the commissioner shall investigate the extent to which the lack of culturally oriented treatment programs

for minority youth has contributed to disparate and more punitive treatment of these youth by the juvenile justice system. As part of this study, the commissioner shall determine the cost of expanding the availability of culturally oriented treatment programs to all adult and juvenile offenders who are in need of treatment. The commissioner shall report the study's findings and recommendations to the legislature by February 1, 1993.

Sec. 27. [STATEWIDE MEDIA CAMPAIGN.]

The commissioner of health, in collaboration with the commissioner of human services and the commissioner of public safety, shall design and implement a statewide mass media campaign for the promotion of chemical health. The campaign must use both traditional and nontraditional media and focus on and support chemical health activities conducted at the community level with diverse and targeted populations. The campaign must last a minimum of six months and be coordinated with local school and community educational efforts, policy, skills training, and behavior modeling.

Sec. 28. [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. 29. [ECFE REVENUE.]

In addition to the revenue in section 124.2711, subdivision 1, in fiscal year 1993 a district is eligible for aid equal to $1.60 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the last school year. This amount may be used only for in-service education for early childhood family education parent educators, child educators, and home visitors for violence prevention programs and for home visiting programs under section 6. A district that uses revenue under this paragraph for home visiting programs shall provide home visiting program services through its early childhood family education program or shall contract with a public or nonprofit organization to provide such services. A district may establish a new home visiting program only where no existing, reasonably accessible home visiting program meets the program requirements in section 6.

Sec. 30. [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] *The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence*

prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] *To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.*

Subd. 3. [GRANT AWARDS.] *The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed $3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.*

Subd. 4. [GRANT PROCEEDS.] *A successful applicant shall use the grant money to develop and implement a violence prevention program according to the terms of the grant application.*

ARTICLE 11

STATE AND LOCAL 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. 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. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1c. [RELEASE TO RESIDENTIAL PROGRAM; ESCORT REQUIRED.] *The commissioner shall provide an escort for any inmate on parole or supervised release status who is released to a halfway house or other residential community program. The escort shall be an employee of the commissioner or a person acting as the commissioner's agent for this purpose.*

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. [244.17] [CHALLENGE INCARCERATION PROGRAM.]

Subdivision 1. [GENERALLY.] *The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in a challenge incarceration program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.*

Subd. 2. [ELIGIBILITY.] *The commissioner must limit the challenge incarceration program to the following persons:*

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a term of imprisonment of not less than 18 months nor more than 36 months and who did not receive a dispositional departure under the sentencing guidelines.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] *The following offenders are not eligible to be placed in the challenge incarceration program:*

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or personal injury; and

(2) offenders who previously were convicted of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 6. [244.171] [CHALLENGE INCARCERATION PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] *The commissioner shall administer an intensive, structured, and disciplined program with a high level of offender accountability and control and direct and related consequences for failure to meet behavioral expectations. The program shall have the following goals:*

(1) to punish and hold the offender accountable;

(2) to protect the safety of the public;

(3) to treat offenders who are chemically dependent; and

(4) to prepare the offender for successful reintegration into society.

Subd. 2. [PROGRAM COMPONENTS.] *The program shall contain all of the components described in paragraphs (a) to (e).*

(a) The program shall contain a highly structured daily schedule for the offender.

(b) The program shall contain a rigorous physical program designed to teach personal discipline and improve the physical and mental well-being of the offender. It shall include skills designed to teach the offender how to reduce and cope with stress.

(c) The program shall contain individualized educational programs designed to improve the basic educational skills of the offender and to provide vocational training.

(d) The program shall contain programs designed to promote the offender's self-worth and the offender's acceptance of responsibility for the consequences of the offender's own decisions.

(e) The program shall contain culturally sensitive chemical dependency programs, licensed by the department of human services and designed to serve the inmate population. It shall require that each offender submit to a chemical use assessment and that the offender receive the appropriate level of treatment as indicated by the assessment.

Subd. 3. [GOOD TIME NOT AVAILABLE.] *An offender in the challenge incarceration program does not earn good time during phases I and II of the program, notwithstanding section 244.04.*

Subd. 4. [SANCTIONS.] *The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:*

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the sentence originally

executed by the sentencing court, minus jail credit, if any.

Subd. 5. [TRAINING.] *The commissioner shall develop specialized training for correctional employees who supervise and are assigned to the challenge incarceration program.*

Sec. 7. [244.172] [CHALLENGE INCARCERATION PROGRAM; PHASES I to III.]

Subdivision 1. [PHASE I.] *Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances.*

Subd. 2. [PHASE II.] *Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. The offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II. The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must continue to submit to acupuncture treatment throughout phase II.*

Subd. 3. [PHASE III.] *Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.*

Sec. 8. [244.173] [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

The commissioner shall file a report with the house and senate judiciary committees by September 1, 1992, which sets forth with specificity the program's design. The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program. The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 9. [244.18] [LOCAL CORRECTIONAL FEES; IMPOSITION ON OFFENDERS.]

Subdivision 1. [DEFINITION.] *As used in this section, "local correctional fees" include fees for the following correctional services:*

(1) community service work placement and supervision;

(2) restitution collection;

(3) supervision;

(4) court ordered investigations; or

(5) any other court ordered service to be provided by a local probation

and parole agency established under section 260.311 or community corrections agency established under chapter 401.

Subd. 2. [LOCAL CORRECTIONAL FEES.] *A local correctional agency may establish a schedule of local correctional fees to charge persons convicted of a crime and under the supervision and control of the local correctional agency to defray costs associated with correctional services. The local correctional fees on the schedule must be reasonably related to defendants' abilities to pay and the actual cost of correctional services.*

Subd. 3. [FEE COLLECTION.] *The chief executive officer of a local correctional agency may collect local correctional fees assessed under section 13. The local correctional agency may collect the fee at any time while the offender is under sentence or after the sentence has been discharged. The agency may use any available civil means of debt collection in collecting a local correctional fee.*

Subd. 4. [EXEMPTION FROM FEE.] *The local correctional agency shall waive payment of a local correctional fee if so ordered by the court under section 13. If the court fails to waive the fee, the chief executive officer of the local correctional agency may waive payment of the fee if the officer determines that the offender does not have the ability to pay the fee, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the fee. Instead of waiving the fee, the local correctional agency may require the offender to perform community work service as a means of paying the fee.*

Subd. 5. [RESTITUTION PAYMENT PRIORITY.] *If a defendant has been ordered by a court to pay restitution and a local correctional fee, the defendant shall be obligated to pay the restitution ordered before paying the local correctional fee.*

Subd. 6. [USE OF FEES.] *The local correctional fees shall be used by the local correctional agency to pay the costs of local correctional services. Local correctional fees may not be used to supplant existing local funding for local correctional services.*

Sec. 10. Minnesota Statutes 1990, section 260.311, is amended by adding a subdivision to read:

Subd. 3a. [DETAINING PERSON ON CONDITIONAL RELEASE.] *(a) County probation officers serving a district or juvenile court may, without a warrant when it appears necessary to prevent escape or enforce discipline, take and detain a probationer or any person on conditional release and bring that person before the court or the commissioner of corrections, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained under this subdivision more than 72 hours, excluding Saturdays, Sundays and holidays, without being given an opportunity for a hearing before the court or the commissioner of corrections or a designee.*

(b) The written order of the chief executive officer or designee of a county corrections agency established under this section is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a

local correctional facility;

(3) escape from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 11. Minnesota Statutes 1990, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] *(a)* Probation officers serving the district~~, county, municipal~~ and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 12. Minnesota Statutes 1990, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to life imprisonment; or

(2) to imprisonment for a fixed term of years set by the court; or

(3) to both imprisonment for a fixed term of years and payment of a fine; or

(4) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

(5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both*; or*

(6) to payment of a local correctional fee as authorized under section 13

in addition to any other sentence imposed by the court.

Sec. 13. [609.102] [LOCAL CORRECTIONAL FEES; IMPOSITION BY COURT.]

Subdivision 1. [DEFINITION.] *As used in this section, "local correctional fee" means a fee for local correctional services established by a local correctional agency under section 9.*

Subd. 2. [IMPOSITION OF FEE.] *When a court sentences a person convicted of a crime, and places the person under the supervision and control of a local correctional agency, the court shall impose a local correctional fee based on the local correctional agency's fee schedule adopted under section 9.*

Subd. 3. [FEE EXEMPTION.] *The court may waive payment of a local correctional fee if it makes findings on the record that the convicted person is exempt due to any of the factors named under section 9, subdivision 4. The court shall consider prospects for payment during the term of supervision by the local correctional agency.*

Subd. 4. [RESTITUTION PAYMENT PRIORITY.] *If the court orders the defendant to pay restitution and a local correctional fee, the court shall order that the restitution be paid before the local correctional fee.*

Sec. 14. Minnesota Statutes 1990, section 609.125, is amended to read:

609.125 [SENTENCE FOR MISDEMEANOR OR GROSS MISDEMEANOR.]

Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

(1) to imprisonment for a definite term; or

(2) to payment of a fine, or to imprisonment for a specified term if the fine is not paid; or

(3) to both imprisonment for a definite term and payment of a fine; or

(4) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; *or*

(5) to payment of a local correctional fee as authorized under section 13 in addition to any other sentence imposed by the court.

Sec. 15. [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, victims of crimes committed by offenders while on probation, 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 December 1, 1992, 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.

Sec. 16. [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 postadjudication facilities.

Sec. 17. [CLARIFICATION OF CONFLICTING PROVISIONS.]

Notwithstanding Minnesota Statutes, section 645.26 or 645.33, the provisions of sections 5 to 8 supersede the provisions of article 9, sections 3 to 6, of a bill styled as H.F. 2694, if enacted by the 1992 legislature.

ARTICLE 12

CIVIL LAW PROVISIONS

Section 1. [617.245] [CIVIL ACTION; USE OF A MINOR IN A SEXUAL PERFORMANCE.]

Subdivision 1. [DEFINITIONS.] *(a) The definitions in this subdivision apply to this section.*

(b) "Minor" means any person who, at the time of use in a sexual performance, is under the age of 16.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance, or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts sexual conduct as defined by paragraph (e).

(e) "Sexual conduct" means any of the following if the depiction involves a minor:

(1) an act of sexual intercourse, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a minor who is nude, or the condition of being fettered, bound, or otherwise physically restrained on the part of one so unclothed;

(3) masturbation or lewd exhibitions of the genitals; and

(4) physical contact or simulated physical contact with the unclothed

pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

Subd. 2. [CAUSE OF ACTION.] *A cause of action exists for injury caused by the use of a minor in a sexual performance. The cause of action exists against a person who promotes, employs, uses, or permits a minor to engage or assist others to engage in posing or modeling alone or with others in a sexual performance, if the person knows or has reason to know that the conduct intended is a sexual performance.*

A person found liable for injuries under this section is liable to the minor for damages.

Neither consent to sexual performance by the minor or by the minor's parent, guardian, or custodian, or mistake as to the minor's age is a defense to the action.

Subd. 3. [LIMITATION PERIOD.] *An action for damages under this section must be commenced within six years of the time the plaintiff knew or had reason to know injury was caused by plaintiff's use as a minor in a sexual performance. The knowledge of a parent, guardian, or custodian may not be imputed to the minor. This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.*

Sec. 2. Laws 1991, chapter 232, section 5, is amended to read:

Sec. 5. [APPLICABILITY.]

Notwithstanding any other provision of law, a plaintiff whose claim would otherwise be time-barred under Minnesota Statutes 1990 has until August 1, 1992, to commence a cause of action for damages based on personal injury caused by sexual abuse *if the action is based on an intentional tort committed against the plaintiff.*

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective retroactive to August 1, 1991, and applies to actions pending on or commenced on or after that date.

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, a representative of the data practices division of the department of administration, and the state public defender,

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 recommendations shall be developed in consultation with the following groups and others: local public social service agencies, police departments, sheriffs' offices, crime victims, and court services departments. In conducting the study the officials 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 officials shall consider the impact of any proposed recommendations on individual privacy rights. The officials 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;

(9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems; and

(10) on the impact of integrated criminal justice information systems on individual privacy rights.

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by December 1, 1992. 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, one of whom has been a victim of crime.

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

ARTICLE 14

MANDATORY VEHICLE INSURANCE PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. [IMPOUNDMENT ORDER; PLATES SURRENDERED.] If the court issues an impoundment order, the registration plates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court may destroy the surrendered registration plates. Except as provided in subdivision ~~1a,~~ 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 2. Minnesota Statutes 1990, section 169.791, is amended to read:

169.791 [CRIMINAL PENALTY FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [TERMS.] (a) For purposes of this section and sections 169.792 to ~~169.796~~ *169.799*, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle.

(d) "Proof of insurance" means an insurance identification card, written statement, or insurance policy as defined by section 65B.14, subdivision 2.

(e) "Written statement" means a written statement by a licensed insurance agent ~~in a form acceptable to the commissioner~~ stating *the name and address of the insured, the vehicle identification number of the insured's vehicle,* that *a plan of reparation* security *as required by section 65B.48* has been provided for the insured's vehicle, and the dates of the coverage.

(f) "District court administrator" or "court administrator" means the district court administrator or a deputy district court administrator of the district court that has jurisdiction of a violation of this section.

(g) "Vehicle" means a motor vehicle as defined in section 65B.43, subdivision 2, or a motorcycle as defined in section 65B.43, subdivision 13.

(h) "Peace officer" or "officer" means an employee of a political subdivision or state law enforcement agency, including the Minnesota state patrol, who is licensed by the Minnesota board of peace officer standards and training and is authorized to make arrests for violations of traffic laws.

(i) "Law enforcement agency" means the law enforcement agency that employed the peace officer who demanded proof of insurance under this section or section 169.792.

(j) The definitions in section 65B.43 apply to sections 169.792 to 169.799.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in possession at all times when operating a ~~motor~~ vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver ~~is unable to~~ *does not* produce the required proof of insurance upon the demand of a peace officer, *the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.*

Subd. 2a. [LATER PRODUCTION OF PROOF BY DRIVER WHO IS THE OWNER.] ~~The~~ *A* driver ~~shall~~ *who is the owner of the vehicle may,* within ~~14~~ *ten* days after the demand, produce proof of insurance stating that security had been provided for the vehicle that was being operated at the time of the demand~~, or the name and address of the owner to the place stated in the notice provided by the officer~~ *to the court administrator.* The required proof of insurance may be sent by mail by the driver as long as it is received within ~~14~~ *ten* days. ~~Except as provided in subdivision 3, any driver who fails to produce proof of insurance as required by this section within 14 days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.~~ *If a citation is issued, no person shall be convicted of violating this section if the court administrator*

receives the required proof of insurance within ten days of the issuance of the citation. If the charge is made other than by citation, no person shall be convicted of violating this section if the person presents the required proof of insurance at the person's first court appearance after the charge is made.

Subd. 3. [~~REQUIREMENT FOR~~ *LATER PRODUCTION OF INFORMATION BY* DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, the driver shall, within ~~14~~ *ten* days of the officer's demand, provide the ~~officer~~ *district court administrator* with proof of insurance or the name and address of the owner. ~~Any driver under this subdivision who fails to provide proof of insurance or to inform the officer of the name and address of the owner within 14 days of the officer's demand is guilty of a misdemeanor.~~ *Upon receipt of the name and address of the owner, the district court administrator shall communicate the information to the law enforcement agency.*

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] *If the driver is not the owner of the vehicle,* the officer may send or provide a notice to the owner of the ~~motor~~ vehicle requiring the owner to produce proof of insurance for the vehicle that was being operated at the time of the demand. Notice by mail is presumed to be received five days after mailing and shall be sent to the owner's current address or the address listed on the owner's driver's license. Within ~~14~~ *ten* days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. The required proof of insurance may be sent by mail by the owner as long as it is received within ~~14~~ *ten* days. Any owner who fails to produce proof of insurance within ~~14~~ *ten* days of an officer's request is guilty of a misdemeanor. ~~It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent or misrepresented his or her insurance coverage to the owner.~~ The peace officer may mail the citation to the owner's current address or address stated on the owner's driver's license. *It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent, if insurance would not have been required in the absence of the unauthorized use by the driver.* It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the ~~14-day~~ *ten-day* period.

Subd. 5. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 6. [PENALTY.] ~~Any violation of this section is a misdemeanor.~~ *In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than $200 nor more than the maximum fine applicable to misdemeanors upon conviction under this section. The court may allow community service in lieu of any fine imposed if the defendant is indigent. In addition to criminal penalties, a person convicted under this section is subject to revocation of a driver's license or permit to drive under section 169.792, subdivision 7, and to revocation of motor vehicle registration under section 169.792, subdivision 12.*

Subd. 7. [FALSE INFORMATION; PENALTY.] *Any person who knowingly provides false information to an officer or district court administrator*

under this section is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 169.792, is amended to read:

169.792 [REVOCATION OF LICENSE FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [IMPLIED CONSENT.] Any driver or owner of a ~~motor~~ vehicle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of the person's license if the driver or owner ~~is unable to~~ *does not* produce the required proof of insurance within ~~14~~ *ten* days of an officer's demand. Any driver of a ~~motor~~ vehicle who is not the owner of the ~~motor~~ vehicle consents, subject to the provisions of this section and section 169.791, to providing to the officer the name and address of the owner of the ~~motor~~ vehicle ~~or motorcycle~~.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Except as provided in subdivision 3, every driver of a ~~motor~~ vehicle shall, within ~~14~~ *ten* days after the demand of a peace officer, produce proof of insurance in force for the vehicle that was being operated at the time of the demand, to ~~the place stated in the notice provided by the officer~~ *the district court administrator*. The required proof of insurance may be sent by the driver by mail as long as it is received within ~~14~~ *ten* days. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, *provided that the driver provides the officer with the owner's name and address at the time of the demand or complies with subdivision 3.*

Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, then the driver shall *provide the officer with the name and address of the owner at the time of the demand or shall* within ~~14~~ *ten* days of the officer's demand provide the ~~officer~~ *district court administrator* with proof of insurance or the name and address of the owner. *Upon receipt of the owner's name and address, the district court administrator shall forward the information to the law enforcement agency. If the name and address received from the driver do not match information available to the district court administrator, the district court administrator shall notify the law enforcement agency of the discrepancy.*

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] *If the driver is not the owner of the vehicle,* the officer may send or provide a notice to the owner requiring the owner to produce proof of insurance in force at the time of the demand covering the ~~motor~~ vehicle being operated. The notice shall be sent to the owner's current address or the address listed on the owner's driver's license. Within ~~14~~ *ten* days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice *to the owner* by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

Subd. 5. [*WRITTEN* NOTICE ~~OF REVOCATION~~.] *(a)* When proof of insurance is demanded and none is in possession, the ~~officer shall~~ *law enforcement agency may send or* give the driver written notice as provided herein, *unless the officer issues a citation to the driver under section 169.791 or 169.797.* If the driver is not the owner and does not produce the required

proof of insurance within ~~14~~ *ten* days of the demand, the ~~officer~~ *law enforcement agency* may send *or give* written notice to the owner of the vehicle.

(b) Within ten days after receipt of the notice, if given, the driver or owner shall produce the required proof of insurance to the place stated in the notice. Notice to the driver or owner by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

(c) The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. *The department shall, upon request, provide a sample of the form to any law enforcement agency.* The notice shall ~~specify the place to which~~ *provide that* the driver or owner must produce the proof of insurance *to the law enforcement agency, at the place specified in the notice*. The notice shall also state:

(1) that Minnesota law requires every driver and owner to produce an insurance identification card, insurance policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand within ~~14~~ *ten* days of the demand, provided, however, that a driver who does not own the vehicle shall provide the name and address of the owner;

(2) that if the driver fails to produce the information within ~~14~~ *ten* days from the date of demand or if the owner fails to produce the information within ~~14~~ *ten* days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive~~, or nonresident operating privileges~~ for a minimum of 30 days, *and shall revoke the registration of the vehicle*;

(3) that any person who displays or causes another to display an insurance identification card, insurance policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and

(4) that any person who alters or makes a fictitious identification card, insurance policy, or written statement, or knowingly displays an altered or fictitious identification card, insurance policy, or written statement, is guilty of a misdemeanor.

Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce the required proof of insurance or name and address of the owner within ~~14~~ *ten* days of the demand, the ~~officer~~ *district court administrator* shall report the failure to the commissioner ~~and may send a written notice to the owner~~. If ~~the~~ *an* owner *who is not the driver* fails to produce the required proof of insurance, *or if a driver to whom a citation has not been issued does not provide proof of insurance or the owner's name and address*, within ~~14~~ *ten* days of receipt of the notice, the ~~officer~~ *law enforcement agency* shall report the failure to the commissioner. *Failure to produce proof of insurance or the owner's name and address as required by this section must be reported to the commissioner promptly regardless of the status or disposition of any related criminal charges.*

Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6 *or notification of a conviction for violation of section 169.791*, the commissioner shall revoke the person's driver's license or permit to drive~~, or nonresident operating privileges~~. The revocation shall be effective beginning 14 days after the date of notification by the *district court administrator or* officer to the department of public safety. In order to be revoked, notice must have been ~~given or~~ mailed to the person~~, as~~

~~provided in this section~~ *by the commissioner at least ten days before the effective date of the revocation. If the person, before the effective date of the revocation, provides the commissioner with the proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that the required insurance covered the vehicle at the time of the original demand, the revocation must not become effective. Revocation based upon receipt of a notification under subdivision 6 must be carried out regardless of the status or disposition of any related criminal charge.* The person's driver's license or permit to drive~~, or nonresident operating privileges,~~ shall be revoked for the longer of: (i) ~~30 days~~ *the period provided in section 169.797, subdivision 4, paragraph (b), including any rules adopted under that paragraph*, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety. *A license must not be revoked more than once based upon the same demand for proof of insurance.*

Subd. 7a. [EARLY REINSTATEMENT.] *A person whose license or permit has been revoked under subdivision 7 may obtain a new license or permit before the expiration of the period specified in subdivision 7 if the person provides to the department of public safety proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that insurance covered the vehicle at the time of the original demand and that any required insurance on any vehicle registered to the person remains in effect. The person shall pay the fee required by section 171.29, subdivision 2, paragraph (a), before reinstatement. The commissioner shall make a notation on the person's driving record indicating that the person satisfied the requirements of this subdivision. A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.*

Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner may request in writing a review of the order of revocation by the commissioner. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request, the commissioner shall send the results of the review in writing to the person requesting the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.001 to 14.69.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.

~~Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.~~

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, ~~or nonresident operating privileges,~~ the driver or owner shall produce proof of insurance, *or other form of verifiable insurance information as determined by the commissioner,* indicating that the driver or owner has insurance coverage satisfactory to

the commissioner. The commissioner may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license. *A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.*

Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 12. [VEHICLE REGISTRATION REVOCATION.] *If a person whose driver's license or permit is revoked under subdivision 7 is also the owner of the vehicle, the commissioner shall revoke the registration of the vehicle at the same time. If the owner of the vehicle does not have a driver's license or permit to drive, the commissioner shall revoke the registration of the vehicle. The commissioner shall reinstate registration of the vehicle only upon receiving proof of insurance or other verifiable insurance information as determined by the commissioner, and proof of compliance with all other requirements for reinstatement of motor vehicle registration, including payment of required fees.*

Sec. 4. Minnesota Statutes 1990, section 169.793, is amended to read:

169.793 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to issue, to display, or cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the ~~motor~~ vehicle ~~or motorcycle~~ in question;

(2) to alter or make a fictitious insurance identification card, policy, or written statement; and

(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.

Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor. *In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than $200 nor more than the maximum fine applicable to misdemeanors. The court may allow community service in lieu of any fine imposed if the defendant is indigent.*

Sec. 5. Minnesota Statutes 1991 Supplement, section 169.795, is amended to read:

169.795 [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 168.041, ~~subdivisions 1a and~~ *subdivision* 4; 169.09, subdivision 14; and 169.791 to 169.796.

Sec. 6. Minnesota Statutes 1990, section 169.796, is amended to read:

169.796 [VERIFICATION OF INSURANCE COVERAGE.]

Subdivision 1. [RELEASE OF INFORMATION.] An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal, arising in connection with the release of the information.

Subd. 2. [RECEIPT OF DATA BY ELECTRONIC TRANSFER.] *The commissioner may, in the commissioner's discretion, agree to receive by electronic transfer any information required by this chapter to be provided to the commissioner by an insurance company.*

Sec. 7. [169.797] [PENALTIES FOR FAILURE TO PROVIDE SECURITY FOR BASIC REPARATION BENEFITS.]

Subdivision 1. [TORT LIABILITY.] *Every owner of a vehicle for which security has not been provided as required by section 65B.48, shall not by the provisions of this chapter be relieved of tort liability arising out of the operation, ownership, maintenance, or use of the vehicle.*

Subd. 2. [VIOLATION BY OWNER.] *Any owner of a vehicle with respect to which security is required under sections 65B.41 to 65B.71 who operates the vehicle or permits it to be operated upon a public highway, street, or road in this state and who knows or has reason to know that the vehicle does not have security complying with the terms of section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 3. [VIOLATION BY DRIVER.] *Any other person who operates a vehicle upon a public highway, street, or road in this state who knows or has reason to know that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 3a. [FALSE STATEMENTS.] *Any owner of a vehicle who falsely claims to have a plan of reparation security in effect at the time of registration of a vehicle pursuant to section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.*

Subd. 4. [PENALTY.] *(a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than $200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.*

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months.

If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

Subd. 4a. [REVOCATION OF REGISTRATION AND SUSPENSION OF LICENSE.] *The commissioner of public safety shall revoke the registration of any vehicle and may suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as provided in this section before reinstating the person's driver's license.*

Subd. 5. [NONRESIDENTS.] *When a nonresident's operating privilege is suspended pursuant to this section, the commissioner of public safety or a designee shall transmit a copy of the record of the action to the official in charge of the issuance of licenses in the state in which the nonresident resides.*

Subd. 6. [LICENSE SUSPENSION.] *Upon receipt of notification that the operating privilege of a resident of this state has been suspended or revoked in any other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a vehicle accident, or for failure to provide security covering a vehicle if required by the laws of that state, the commissioner of public safety shall suspend the operator's license of the resident until the resident furnishes evidence of compliance with the laws of this state and if applicable the laws of the other state.*

Sec. 8. [169.798] [RULES OF COMMISSIONER OF PUBLIC SAFETY.]

Subdivision 1. [AUTHORITY.] *The commissioner of public safety shall have the power and perform the duties imposed by sections 65B.41 to 65B.71, this section, and sections 169.797 and 169.799, and may adopt rules to implement and provide effective administration of the provisions requiring security and governing termination of security.*

Subd. 2. [EVIDENCE OF SECURITY REQUIRED.] *The commissioner of public safety may by rule provide that vehicles owned by certain persons may not be registered in this state unless satisfactory evidence is furnished that security has been provided as required by section 65B.48. If a person who is required to furnish evidence ceases to maintain security, the person*

shall immediately surrender the registration certificate and license plates for the vehicle. These requirements may be imposed if:

(1) The registrant has not previously registered a vehicle in this state; or

(2) An owner or operator of the vehicle has previously failed to comply with the security requirements of sections 65B.41 to 65B.71 or of prior law; or

(3) The driving record of an owner or operator of the vehicle evidences a continuing disregard of the laws of this state enacted to protect the public safety; or

(4) Other circumstances indicate that action is necessary to effectuate the purposes of sections 65B.41 to 65B.71.

Subd. 3. [SECURITY NOT REQUIRED.] *No owner of a boat, snowmobile, or utility trailer registered for a gross weight of 3,000 pounds or less shall be required by the commissioner of public safety to furnish evidence that the security required by section 65B.48 has been provided.*

Sec. 9. [169.799] [OBLIGOR'S NOTIFICATION OF LAPSE, CANCELLATION, OR FAILURE TO RENEW POLICY OF COVERAGE.]

If the required plan of reparation security of an owner or named insured is canceled, and notification of such fact is given to the insured as required by section 65B.19, a copy of such notice shall within 30 days after coverage has expired be sent to the commissioner of public safety. If, on or before the end of that 30-day period, the insured owner of a vehicle has not presented the commissioner of public safety or an authorized agent with evidence of required security which shall have taken effect upon the expiration of the previous coverage, or if the insured owner or registrant has not instituted an objection to the obligor's cancellation under section 65B.21, within the time limitations therein specified, the insured owner or registrant shall immediately surrender the registration certificate and vehicle license plates to the commissioner of public safety and may not operate or permit operation of the vehicle in this state until security is again provided and proof of security furnished as required by sections 65B.41 to 65B.71.

Sec. 10. Minnesota Statutes 1990, section 171.19, is amended to read:

171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]

Any person whose driver's license has been refused, revoked, suspended, or canceled by the commissioner, except where the license is revoked under section 169.123, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, or refusal of license, ~~under the provisions of this chapter,~~ and shall render judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner

must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.29, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION REQUIRED.] No person whose driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section *169.791, 169.797, or* 171.17 ~~or 65B.67~~, or revoked under section 169.123 or 169.792 shall be issued another license unless and until that person shall have successfully passed an examination as required for an initial license. *This subdivision does not apply to an applicant for early reinstatement under section 169.792, subdivision 7a.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS OF ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section ~~65B.67,~~ 169.121, 169.123, 169.792, *169.797,* or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive~~, or nonresident operating~~

~~privileges.~~ ~~have~~ *has* been revoked under section 65B.67 or 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 13. [INSTRUCTION TO REVISOR.]

Subdivision 1. [CROSS-REFERENCES.] *The revisor of statutes shall make necessary cross-reference changes in statutes and rules, consistent with the renumbering and recodification of sections 65B.67 as 169.797, 65B.68 as 169.798, and 65B.69 as 169.799.*

Subd. 2. [REORDERING.] *The revisor of statutes shall reorder the paragraphs of section 169.791, subdivision 1, as amended by this act, so that the definitions appear in alphabetical order. The revisor shall also make necessary cross-reference changes in statutes and rules consistent with the reordering.*

Sec. 14. [REPEALER.]

Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a, are repealed.

Sec. 15. [APPROPRIATION.]

$66,000 is appropriated from the trunk highway fund to the commissioner of public safety to cover the additional expenditures required by this article, to be added to the appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1993.

The approved complement of the department of public safety is increased by one position.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1993.

ARTICLE 15

LAW ENFORCEMENT AND PUBLIC SAFETY

Section 1. [169.797] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE RENTAL OR LEASE AGREEMENT.]

Subdivision 1. [DEFINITION.] *As used in this section:*

(1) "rental or lease agreement" means a written agreement to rent or lease a motor vehicle that contains the name, address, and driver's license number of the renter or lessee; and

(2) "person" has the meaning given the term in section 645.44, subdivision 7.

Subd. 2. [REQUIREMENT.] *Every person who rents or leases a motor vehicle in this state for a time period of less than 180 days shall have the rental or lease agreement covering the vehicle in possession at all times when operating the vehicle and shall produce it upon the demand of a peace*

officer. If the person is unable to produce the rental or lease agreement upon the demand of a peace officer, the person shall, within 14 days after the demand, produce the rental or lease agreement to the place stated in the notice provided by the peace officer. The rental or lease agreement may be mailed by the person as long as it is received within 14 days.

Subd. 3. [PENALTY.] *A person who fails to produce a rental or lease agreement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the person or to the address stated on the driver's license, and this service by mail is valid notwithstanding section 629.34. It is not a defense that the person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.*

Subd. 4. [FALSE OR FICTITIOUS RENTAL OR LEASE AGREEMENT.] *It is a misdemeanor for any person to alter or make a fictitious rental or lease agreement, or to display an altered or fictitious rental or lease agreement knowing or having reason to know the agreement is altered or fictitious.*

Sec. 2. Minnesota Statutes 1990, section 259.11, is amended to read:

259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless it finds that there is an intent to defraud or mislead or in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The clerk shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the clerk shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and clerk the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has been convicted of a felony in this or any other state. If so, the court shall, within ten days after the name change application is granted, report the name change to the bureau of criminal apprehension. The person whose name is changed shall also report the change to the bureau of criminal apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the bureau of criminal apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1991 Supplement, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty ~~upon any charge or cause alleged~~, except in cases where imminent danger of escape exists, shall admit any ~~resident~~ attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify ~~any~~ *the* attorney ~~residing in the county~~ of the request for a consultation with the attorney. *At all times through the period of custody, whether or not the person restrained has been charged, tried, convicted, or is serving an executed sentence,* reasonable telephone access to the attorney shall be provided to the person restrained at no charge to the attorney or to the person restrained. Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the punishment prescribed therefor shall forfeit $100 to the person aggrieved, to be recovered in a civil action.

Sec. 4. Minnesota Statutes 1990, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of ~~all~~ courts, *the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions* shall furnish, upon the request of the district public defender or the state public defender, copies of any documents, *including police reports,* in their possession at no charge to the public defender.

Sec. 5. Minnesota Statutes 1990, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a pistol transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee; *and*

(c) A statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 6. Minnesota Statutes 1990, section 624.7131, subdivision 6, is amended to read:

Subd. 6. [PERMITS VALID STATEWIDE; ~~RENEWAL.~~] Transferee permits issued pursuant to this section are valid statewide and shall expire after one year. A transferee permit may be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 624.7151.* Permits issued pursuant to this section are not transferable. A person who transfers a permit in violation of this subdivision is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1990, section 624.7132, subdivision 1, is

amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee;

(c) A statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol; and

(d) The address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 8. Minnesota Statutes 1990, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth ~~the name, residence, date of birth, height, weight, color of eyes and hair, sex and distinguishing physical characteristics, if any, of the applicant~~ *in writing the following information:*

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;

(2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;

(3) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol; and

(4) a recent color photograph of the applicant.

The application shall be signed by the applicant.

Sec. 9. Minnesota Statutes 1990, section 624.714, subdivision 7, is amended to read:

Subd. 7. [RENEWAL.] Permits to carry a pistol issued pursuant to this section shall expire after one year and shall thereafter be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 11.*

Sec. 10. [624.7151] [STANDARDIZED FORMS.]

By December 1, 1992, the commissioner of public safety shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or

renewed on or after January 1, 1993. The adoption of these standards is not subject to the rulemaking provisions of chapter 14.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner of public safety. Notwithstanding the previous sentence, neither failure of the department of public safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 11. [624.7161] [FIREARMS DEALERS; CERTAIN SECURITY MEASURES REQUIRED.]

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

(b) "Firearms dealer" means a dealer federally licensed to sell pistols who operates a retail business in which pistols are sold from a permanent business location other than the dealer's home.

(c) "Small firearms dealer" means a firearms dealer who operates a retail business at which no more than 50 pistols are displayed for sale at any time.

(d) "Large firearms dealer" means a firearms dealer who operates a retail business at which more than 50 pistols are displayed for sale at any time.

Subd. 2. [SECURITY MEASURES REQUIRED.] *After business hours when the dealer's place of business is unattended, a small firearms dealer shall place all pistols that are located in the dealer's place of business in a locked safe or locked steel gun cabinet, or on a locked, hardened steel rod or cable that runs through the pistol's trigger guards. The safe, gun cabinet, rod, or cable must be anchored to prevent its removal from the premises.*

Subd. 3. [SECURITY STANDARDS.] *The commissioner of public safety shall adopt standards specifying minimum security requirements for small and large firearms dealers. By January 1, 1993, all firearms dealers shall comply with the standards. The standards may provide for:*

(1) alarm systems for small and large firearms dealers;

(2) site hardening and other necessary and effective security measures required for large firearms dealers;

(3) a system of inspections, during normal business hours, by local law enforcement officials for compliance with the standards; and

(4) other reasonable requirements necessary and effective to reduce the risk of burglaries at firearms dealers' business establishments.

Sec. 12. Minnesota Statutes 1990, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. [REPORTS REQUIRED.] A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, *or if the victim*

alleges, that the offender was motivated to commit the act by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The superintendent of the bureau of criminal apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

(1) the date of the offense;

(2) the location of the offense;

(3) whether the target of the incident is a person, private property, or public property;

(4) the crime committed;

(5) the type of bias and information about the offender and the victim that is relevant to that bias;

(6) any organized group involved in the incident;

(7) the disposition of the case; ~~and~~

(8) *whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and*

(9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 13. Minnesota Statutes 1990, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; ~~and~~

(m) *Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and*

(n) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 14. Minnesota Statutes 1990, section 626.8451, is amended to read:

626.8451 [TRAINING IN IDENTIFYING AND RESPONDING TO *CERTAIN* CRIMES ~~MOTIVATED BY BIAS~~.]

Subdivision 1. [TRAINING COURSE; *CRIMES MOTIVATED BY BIAS*.] The board must prepare a training course to assist peace officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically as the board considers appropriate.

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.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer ~~after August 1, 1990,~~ unless the individual has received the training described in subdivision 1. *An individual is not eligible to take the peace officer licensing examination after August 1, 1994, unless the individual has received the training described in subdivision 1a.*

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under ~~subdivision~~ *subdivisions 1 and 1a*. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes *and crimes of violence*. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer must inform all peace officers within the officer's agency of (1) the requirements of section 626.5531, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials.

Sec. 15. Minnesota Statutes 1990, section 626.8465, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OF POWERS AND DUTIES.] No law enforcement agency shall utilize the services of a part-time peace officer unless the part-time peace officer exercises the part-time peace officer's powers and duties under the supervision~~, directly or indirectly~~ of a licensed peace officer designated by the chief law enforcement officer. Supervision also may be via radio communications. With the consent of the county sheriff, the designated supervising officer may be a member of the county sheriff's department.

Sec. 16. [ADVISORY TASK FORCE.]

The commissioner of public safety shall appoint a task force to recommend firearms dealers' security standards as required by section 11. The task

force shall consist of appropriate interested persons, including firearms dealers and crime prevention officers. The task force shall recommend standards by September 1, 1992, and the commissioner shall adopt standards by October 1, 1992.

Sec. 17. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment. Sections 1 and 2 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 16

CAMPUS SAFETY AND SECURITY

Section 1. [VIOLENCE AND SEXUAL HARASSMENT.]

Subdivision 1. [PLANS.] *Each public and private post-secondary institution, as defined in Minnesota Statutes, section 136A.101, subdivision 4, shall prepare and begin to implement plans to avoid problems of violence and sexual harassment on campus. The plans shall indicate the current status of the components in subdivision 2, the means to improve that status, a timeline for implementation of the improvements, and an estimated cost of implementing each improvement.*

Subd. 2. [COMPONENTS.] *Each campus plan shall address at least the following components:*

(1) security such as type and level of security systems on campus, including physical plant, escort services, and other human resources; and

(2) training such as programs or other efforts to provide mandatory training to faculty, staff, and students regarding campus policies and procedures relating to incidents of violence and sexual harassment and the extent and causes of violence.

Subd. 3. [IMPLEMENTATION.] *Each campus shall present its plan to its governing board by November 15, 1992. Each governing board shall review the plans with campus administrators and report the plans by January 15, 1993, to the higher education coordinating board and the attorney general for review and comment. Each campus shall begin implementation of its plans following the approval of its governing board and review by the higher education coordinating board and the attorney general. Except for capital improvements, full implementation must be accomplished by the beginning of the 1994-1995 academic year.*

Subd. 4. [REPORT.] *The higher education coordinating board and the attorney general shall report their review and comment on the plans to the legislature by March 15, 1993.*

Sec. 2. [CURRICULUM AND TRAINING ABOUT VIOLENCE AND ABUSE.]

Subdivision 1. [SURVEY OF EFFECTIVENESS OF INSTRUCTION.] *The higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators*

of violence and abuse. The survey shall be designed to ascertain whether the instructional programs the graduates completed provided adequate instruction about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] *Each public eligible institution must report, and the University of Minnesota and each private eligible institution are requested to report, to the higher education coordinating board current course offerings and special programs relating to the issues described in subdivision 1, clauses (1) and (2). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.*

Subd. 3. [CURRICULAR RECOMMENDATION.] *The higher education coordinating board shall convene and staff meetings of the boards that license occupations listed in subdivision 1, the University of Minnesota, the technical college, community college, and state university systems, and the Minnesota private college council. The boards, the systems, and the council shall develop recommendations indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1) and (2). The recommendations shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2. The recommendations are advisory only and are intended to assist the institutions in strengthening curricula and special programs.*

Subd. 4. [REPORT TO LEGISLATURE.] *By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey required by subdivision 1, the review of current programs required by subdivision 2, and the implementation plan required by subdivision 3.*

Sec. 3. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and administration shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The higher education coordinating board shall convene meetings of the departments and coordinate efforts to develop those recommendations. The recommendations shall be reported by the higher education coordinating board to the legislature by February 15, 1993.

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible

institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

ARTICLE 17

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1990, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds $25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 *or 609.125* and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt does not include any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

(1) for an unmarried debtor, an income of $6,400 or less;

(2) for a debtor with one dependent, an income of $8,200 or less;

(3) for a debtor with two dependents, an income of $9,700 or less;

(4) for a debtor with three dependents, an income of $11,000 or less;

(5) for a debtor with four dependents, an income of $11,600 or less; and

(6) for a debtor with five or more dependents, an income of $12,100 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 1991 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

Sec. 2. Minnesota Statutes 1990, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such

fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the county treasurer shall forward all revenue from fees and forfeited bail collected under chapters 357 and 574 to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the state treasurer, but not less often than once each month. *If the defendant or probationer is located after forfeited bail proceeds have been forwarded to the state treasurer, the state treasurer shall reimburse the county, on request, for actual costs expended for extradition, transportation, or other costs necessary to return the defendant or probationer to the jurisdiction where the bail was posted, in an amount not more than the amount of forfeited bail.* All other money must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

ARTICLE 18

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund to the agencies and for the purposes specified in this article, to be available for the fiscal year ending June 30, 1993.

Sec. 2. CORRECTIONS

Total General Fund Appropriation $3,897,000

Of this appropriation, $15,000 is for the development of standards for electronic monitoring devices used to protect victims of domestic abuse.

Of this appropriation, $500,000 is for battered women services, $300,000 is for domestic abuse advocacy grants, $400,000 is for sexual assault victim services, and $200,000 is for crime victim center grants. Up to 2.5 percent of the funding for victim services may be used for administration of these programs.

Of this appropriation, $250,000 is for the costs of increased supervised release efforts provided for in article 1, section 7. The complement of the department is increased by three positions for this purpose.

Of this appropriation, $350,000 is for the costs of operating a sex offender program at the St. Cloud correctional facility and for research of the effectiveness of the program.

Of this appropriation, $500,000 is for the costs of operating a sex offender program at Sauk Centre juvenile correctional facility and for research of the effectiveness of the program.

Of this appropriation, $150,000 is for the costs of developing a sex offender treatment fund as provided for in article 8, section 4. The complement of the department is increased by two positions until July 1, 1993. The commissioner shall report to the legislature on the development of this program by January 15, 1993.

Sec. 3. HUMAN SERVICES

Total General Fund Appropriation 1,500,000

Money appropriated for juvenile mental health screening projects may not be used to pay for out-of-home placement or to replace current funding for programs presently in operation.

The commissioner shall distribute the appropriation for family-based services as special incentive bonus payments under Minnesota Statutes, section 256F.05, subdivision 4a, or as family-based crisis service grants under Minnesota Statutes, section 256F.05, subdivision 8.

Of this appropriation, $200,000 is for children's safety center demonstration projects.

Sec. 4. EDUCATION

Total General Fund Appropriation 2,250,000

Up to $50,000 of this appropriation may be used for administration of the programs funded in this section. The state complement of the department of education is increased by one position until July 1, 1993.

Up to $500,000 of this appropriation is for ECFE and is added to the appropriation in Laws 1991, chapter 265, article 4, section 30, subdivision 5. In fiscal year 1993 only, a district receiving additional revenue for ECFE shall receive all the additional revenue as aid and shall not have its levy for ECFE programs adjusted for any of this additional revenue. One hundred percent of the aid

appropriated must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

One hundred percent of the aid appropriated for violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

$250,000 of this appropriation is to encourage the establishment of community violence prevention councils by cities, counties, and school boards. Councils shall identify community needs and resources for violence prevention and development services that address community needs related to violence prevention. One hundred percent of the aid appropriated for community violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

Any of the funds in this section awarded to school districts but not expended in fiscal year 1993 shall be available to the award recipient in fiscal year 1994 for the same purposes and activities.

Sec. 5. PUBLIC SAFETY

Total General Fund Appropriation 1,352,000

Of this appropriation, $60,000 is available immediately after enactment of this act and is available for violence prevention efforts until July 1, 1993. The state complement of the department is increased by one position for the purposes of this act.

Of this appropriation, $900,000 is to be distributed by the commissioner according to the recommendations of the chemical abuse prevention resource council for the programs described in article 10, sections 8, 9, 13, 14, 24, 26, and Minnesota Statutes, section 144.401.

Of this appropriation, $50,000 is to award a child abuse prevention grant under article 10, section 27.

Sec. 6. HIGHER EDUCATION COORDINATING BOARD

Total General Fund Appropriation 150,000

Sec. 7. HEALTH

Total General Fund Appropriation 315,000

The complement of the department is increased by one position until July 1, 1993, for the home health visit program.

Sec. 8. SUPREME COURT

Total General Fund Appropriation 225,000

Sec. 9. DISTRICT COURTS

Total General Fund Appropriation 500,000

Sec. 10. ATTORNEY GENERAL

Total General Fund Appropriation 75,000

This appropriation is for the costs of managing psychopathic personality commitments. These funds shall not be used for cases in Hennepin and Ramsey counties.

Sec. 11. BOARD OF PUBLIC DEFENSE

Total General Fund Appropriation 800,000

The appropriation for appellate services shall be annualized for the 1994-1995 biennium. The board's approved complement for appellate services is increased by six positions.

Sec. 12. DEPARTMENT OF JOBS AND TRAINING

Total General Fund Appropriation 1,475,000

$1,000,000 of this appropriation is for head start programs.

$200,000 of this appropriation is to supplement youth employment, training, service, or leadership development programs currently funded under the federal Job Training Partnership Act.

$275,000 of this appropriation is to supplement youth intervention programs under Minnesota Statutes, section 268.30.

Sec. 13. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to crime; antiviolence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder;

increasing penalties for other violent crimes and crimes committed against children; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; increasing supervision of sex offenders; requiring review of sex offenders for psychopathic personality commitment before prison release; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a challenge incarceration program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; requiring city and county attorneys to adopt a domestic abuse prosecution plan; creating a civil cause of action for minors used in a sexual performance; providing for a variety of antiviolence education, prevention, and treatment programs; requiring training of peace officers regarding crimes of violence and sensitivity to victims; creating an advisory task force on the juvenile justice system; providing for chemical dependency treatment for children, high-risk youth, and pregnant women, and women with children; providing for violence prevention training and campus safety and security; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 121.882, by adding a subdivision; 127.46; 135A.15; 169.791; 169.792; 169.793; 169.796; 171.07, subdivision 1a; 171.19; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 253B.18, subdivision 2; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.125, subdivision 3a; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.161, subdivision 1, and by adding a subdivision; 260.172, subdivision 1; 260.181, by adding a subdivision; 260.185, subdivisions 1, 4, and by adding a subdivision; 260.311, by adding a subdivision; 270A.03, subdivision 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7, 13, and by adding subdivisions; 526.10; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.055; 609.10; 609.101, by adding a subdivision; 609.125; 609.135, subdivision 5, and by adding a subdivision; 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; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1; 609.746, subdivision 2; 609.748, subdivision 5; 611.271; 611A.03, subdivision 1; 611A.0311, subdivisions 2 and 3; 611A.034; 611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 3 and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; and 631.035; Minnesota Statutes 1991 Supplement, sections 8.15; 121.882, subdivision 2; 124A.29, subdivision 1, as amended; 126.70, subdivisions 1, as amended, and 2a; 168.041, subdivision 4; 169.795; 171.29, subdivision 1; 171.30, subdivision 1; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 260.161, subdivision 3; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36;

357.021, subdivision 2; 481.10; 518B.01, subdivisions 3a, 4, 6, and 14; 609.101, subdivision 1; 609.135, subdivision 2; 609.748, subdivisions 3 and 4; and 611A.32, subdivision 1; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 299C; 480; 526; 609; 611A; 617; 624; and 629; repealing Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Kathleen Vellenga, Loren A. Solberg, Art Seaberg, Jean Wagenius, Thomas W. Pugh

Senate Conferees: (Signed) Allan H. Spear, Randy C. Kelly, Patrick D. McGowan, Jane B. Ranum, John Marty

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1849 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1849 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2884, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2884 has been reconsidered and is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2884

A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BOND ALLOCATION

Section 1. 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. 2. 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. 3. 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. 4. 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. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the

units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project *is a multifamily project that* meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. 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. 7. 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. 8. 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. 9. 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. 10. [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. If a common pool is established as provided under section 11, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.*

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. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] *Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, 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 June 30, 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. The commissioner of finance shall set aside $30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.*

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, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), 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. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2
PUBLIC FINANCE

Section 1. 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 subdivision 2b*. 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 subdivision 2b* 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. 2. 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 A. M. Best, Inc.; 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. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. 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. 5. 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. 6. 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. 7. 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)* a general obligation of the Minnesota housing finance agency, or ~~(3)~~ *(4)* a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4)~~ *(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)* and ~~(3)~~ *(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)* 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 or 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. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; changing procedures for allocating bonding authority; defining acceptable securities for use by self-insurers for workers' compensation; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, 462A.073, subdivision 1; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann H. Rest, John J. Sarna, Jerry J. Bauerly

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ember D. Reichgott, LeRoy A. Stumpf

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2884 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2884 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2734 be taken from the table. The motion prevailed.

H.F. No. 2734: A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; changing pesticide reimbursement provisions; regulating adulterated dairy products; imposing civil penalties; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, sections 32.21; and 41B.02, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 41B.

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. 2734 and that the rules of the Senate be so far suspended as to give H.F. No. 2734 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2734 was read the second time.

Mr. Sams moved to amend H.F. No. 2734 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2734, and insert the language after the enacting clause, and the title, of S.F. No. 2710, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Sams then moved to amend H.F. No. 2734, as amended by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2710.)

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections *or nuts* at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage.

Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 8, is amended to read:

Subd. 8. A licensed pharmacy selling only food additives, food supplements, canned or prepackaged infant formulae, ice manufactured and packaged by another, or such nonperishable food items as bottled or canned soft drinks and prepackaged confections *or nuts* at retail."

Page 5, after line 34, insert:

"Sec. 4. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] *It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.*

Subd. 2. [MINIMUM CLASS I MILK PRICE.] *The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than $13.20 per hundredweight. Any amount by which this price exceeds the class I price specified in the applicable milk marketing order shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.*

Subd. 3. [RULES.] *The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including pooling of over-order premium payments among grade A milk producers.*

Subd. 4. [REPORT.] *Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. The report must also include a summary of processor and distributor information the commissioner has analyzed to determine compliance with sections 32A.01 to 32A.09.*"

Page 7, after line 26, insert:

"Sec. 8. [APPROPRIATION.]

$50,000 is appropriated from the general fund for agricultural information centers to be divided equally between the centers in Wadena and Detroit Lakes.

Sec. 9. [REPEALER.]

1992 S.F. No. 2728, if enacted, is repealed."

Page 7, line 28, delete "*Section 1*" and insert "*Section 3*" and delete "*2 to 4*" and insert "*5 to 9*"

Page 7, line 29, after the period, insert "*Section 4 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Frederickson, D.R. requested division of the amendment as follows:

First portion:

Page 7, after line 26, insert:

"Sec. 5. [APPROPRIATION.]

$50,000 is appropriated from the general fund for agricultural information centers to be divided equally between the centers in Wadena and Detroit Lakes."

Page 7, line 28, delete "*4*" and insert "*5*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections *or nuts* at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage.

Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 8, is amended to read:

Subd. 8. A licensed pharmacy selling only food additives, food supplements, canned or prepackaged infant formulae, ice manufactured and packaged by another, or such nonperishable food items as bottled or canned soft drinks and prepackaged confections *or nuts* at retail."

Page 5, after line 34, insert:

"Sec. 4. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] *It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.*

Subd. 2. [MINIMUM CLASS I MILK PRICE.] *The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than $13.20 per hundredweight. Any amount by which this price exceeds the class I price specified in the applicable milk marketing order shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.*

Subd. 3. [RULES.] *The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including pooling of over-order premium payments among grade A milk producers.*

Subd. 4. [REPORT.] *Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. The report must also include a summary of processor and distributor information the commissioner has analyzed to determine compliance with sections 32A.01 to 32A.09.*"

Page 7, after line 26, insert:

"Sec. 8. [REPEALER.]

1992 S.F. No. 2728, if enacted, is repealed."

Page 7, line 28, delete "*Section 1*" and insert "*Section 3*" and delete "*2 to 4*" and insert "*5 to 8*"

Page 7, line 29, after the period, insert "*Section 4 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 34 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Novak	Sams
Beckman	Finn	Langseth	Piper	Samuelson
Bertram	Frederickson, D.J.	Lessard	Pogemiller	Solon
Cohen	Hottinger	Luther	Price	Stumpf
Dahl	Hughes	Moe, R.D.	Ranum	Traub
Davis	Johnson, D.J.	Mondale	Reichgott	Vickerman
DeCramer	Johnson, J.B.	Morse	Riveness	

Those who voted in the negative were:

Belanger	Brataas	Johnston	McGowan	Pariseau
Benson, D.D.	Day	Knaak	Mehrkens	Renneke
Benson, J.E.	Flynn	Kroening	Metzen	Spear
Berg	Frank	Laidig	Neuville	Terwilliger
Berglin	Frederickson, D.R.	Larson	Olson	Waldorf
Bernhagen	Johnson, D.E.	Marty	Pappas	

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment. The motion prevailed. So the second portion of the amendment was adopted.

Mr. Davis moved to amend H.F. No. 2734, as amended by the Senate April 16, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2710.)

Page 5, after line 34, insert:

"Sec. 2. Minnesota Statutes 1990, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT, FILING CLAIM.] Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences of that default. The lender and the participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

If a participant cannot meet scheduled loan payments because of unique or temporary circumstances and the participant proves sufficiently to the commissioner that the necessary cash flow can be generated in the future,

the commissioner may use money in the special account in section 41.61, subdivision 1, to meet the participant's loan obligation for up to two consecutive years. This money must be paid back within eight years with interest at an annual percentage rate four percent below the prevailing Federal Land Bank rate.

A contract for deed participant may enter into an agreement with the commissioner whereby the outstanding principal balance of the loan is reduced by a minimum of ten percent, the loan is reamortized for the years remaining, and the commissioner agrees that the state shall pay the lender 100 percent of the sum due and payable if a default occurs during the remaining term of the reamortized loan.

After 180 days from the initial default, if the participant has not made arrangements to meet the obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, the commissioner shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

The commissioner may add any unpaid principal and interest payments on special assistance loans to the interest adjustment obligation balance provided for in section 41.57, subdivision 2. The commissioner and participant may agree to any other terms of repayment that are mutually satisfactory.

Sec. 3. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2a. [SETTLEMENTS BEFORE DUE DATE.] *The commissioner may settle interest adjustment payment accounts of participants before the contractual due date. These settlements may include receiving partial payments for outstanding obligations if the participant and cooperating lender agree to voluntarily withdraw from the program.*

Sec. 4. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2b. [DISCOUNTING USING PRESENT VALUE.] *The commissioner may settle interest adjustment payment accounts by discounting the obligation using a present value calculation. The interest rate used in this calculation must be three percent above the current Farm Credit Bank of St. Paul wholesale loan rate to the agricultural credit associations as certified each month by the commissioner.*"

Page 7, after line 8, insert:

"Sec. 7. Minnesota Statutes 1990, section 116J.9673, subdivision 2, is

amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint ~~six~~ *seven* members to the authority's board of directors. ~~The~~ Six members shall be knowledgeable in international finance, exporting, or international law *and one member shall represent a company specializing in agricultural trade*.

The commissioner of the department of trade and economic development shall be chair of the board. Membership, terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a non-self-serving manner and in compliance with section 10A.07.

Sec. 8. Minnesota Statutes 1990, section 116J.9673, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) The finance authority may ~~not~~ provide to any one person insurance or guarantees ~~in excess of $250,000~~ for preexport transactions ~~and $250,000~~ *or* for postexport transactions. When insuring, coinsuring, or guaranteeing the postexport portion of transactions, the finance authority shall retain not more than ten percent of the commercial risk, or alternatively, the normal and standard deductible of the insurance policy.

(2) The policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the chair and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment.

(3) The finance authority shall contract with, among others, the Foreign Credit Insurance Association, the United States Export-Import Bank, and private insurers to secure insurance or reinsurance for country and commercial risks for the finance authority's insurance program. The finance authority may purchase insurance policies using money from the finance authority's appropriations.

(4) Losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves."

Page 7, line 28, delete "*4*" and insert "*6 and 9*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2734 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Cohen	Frank	Kroening	Pariseau
Benson, J.E.	Dahl	Knaak	Merriam	Terwilliger
Berglin	Flynn			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Sams moved that S.F. No. 2710, No. 37 on General Orders, be stricken and laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2213: A bill for an act relating to commerce; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; authorizing the establishment of additional detached facilities in the cities of Duluth, Dover, Millville, and New Scandia; modifying real estate appraiser requirements; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.54; 47.55; 47.58, subdivision 1; 48.02; 48.64; 48.86; 48.89, subdivision 5; 49.34, subdivision 2; 50.14, subdivision 13; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; 80A.14, subdivision 9; 82B.13, as amended; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 300.23; 300.52, subdivision 1; 332.13, subdivision 2;

356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 48.512, subdivision 4; 52.04, subdivision 1; 82B.11, subdivisions 3 and 4; and 82B.14; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

Senate File No. 2213 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 2213 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2213 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Knaak	McGowan	Metzen	Terwilliger
Benson, J.E.	Kroening	Mehrkens	Neuville	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2144, 2162, 2475, 695, 1693, 2565, 2115, 2011, 2418, 1841, 651, 1893 and 2509.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2194,

and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2194: A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

Senate File No. 2194 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2314, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2314: A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

Senate File No. 2314 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1691, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1691: A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3;

488A.14, subdivision 6; 488A.31, subdivision 6.

Senate File No. 1691 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2199, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

Senate File No. 2199 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; deer license fees for residents under age 16 and for licenses to take a second deer; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; dark house and fish house licenses on certain boundary waters; and muskie size limits; providing for agricultural crop protection assistance; authorizing advance of matching funds; appropriating money; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97A.441, by adding a subdivision; 97B.005, subdivisions 2 and 3; 97B.071; 97B.301, subdivision 4; 97B.621, subdivision 1; 97C.355, subdivision 2; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, sections 84.085, by adding a subdivision; 84.091, subdivision 2; and 97A.475, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 97A.

Senate File No. 2376 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 2376 and that the bill be placed on its repassage as amended.

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 2376, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Morse.

The roll was called, and there were yeas 33 and nays 31, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Knaak	Neuville	Reichgott
Benson, J.E.	Flynn	Luther	Olson	Riveness
Berglin	Frederickson, D.R.	Marty	Pariseau	Spear
Brataas	Hottinger	McGowan	Piper	Traub
Dahl	Johnson, D.E.	Merriam	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mondale	Price	
DeCramer	Johnson, J.B.	Morse	Ranum	

Those who voted in the negative were:

Adkins	Cohen	Kelly	Metzen	Stumpf
Belanger	Day	Kroening	Moe, R.D.	Terwilliger
Benson, D.D.	Finn	Laidig	Novak	Vickerman
Berg	Frank	Langseth	Pappas	
Bernhagen	Frederickson, D.J.	Larson	Renneke	
Bertram	Gustafson	Lessard	Sams	
Chmielewski	Johnston	Mehrkens	Samuelson	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 155, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 155 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 155

A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

April 13, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 155, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 155 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.041, subdivision 4, is amended to read:

Subd. 4. [TOWING ALLOWED.] A towing authority may tow a motor vehicle without regard to the four-hour waiting period if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane ~~where~~, *or at a bus stop, during hours when* parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a handicap transfer zone or handicapped parking space without a handicapped parking certificate or handicapped license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking at least 24 hours in advance;

(8) the vehicle is parked within the right-of-way of a controlled access highway or within the traveled portion of a public street when travel is

allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the metropolitan airports commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses; ~~or~~

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle; or

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking."

Delete the title and insert:

"A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dave Bishop, Jean D. Wagenius, Henry J. Kalis

Senate Conferees: (Signed) Nancy Brataas, Carol Flynn

Mrs. Brataas moved that the foregoing recommendations and Conference Committee Report on H.F. No. 155 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 155 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 897: A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

Senate File No. 897 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 897 and that the bill be placed on its repassage as amended.

Mr. Lessard moved that the Senate do not concur in the amendments by the House to S.F. No. 897, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate,

to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Lessard.

The roll was called, and there were yeas 27 and nays 36, as follows:

Those who voted in the affirmative were:

Berg	Finn	Kroening	Moe, R.D.	Solon
Bertram	Frank	Langseth	Morse	Stumpf
Chmielewski	Frederickson, D.R.	Lessard	Novak	Vickerman
Dahl	Hughes	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Sams	
Dicklich	Johnson, J.B.	Metzen	Samuelson	

Those who voted in the negative were:

Adkins	Cohen	Johnston	Neuville	Spear
Beckman	Day	Kelly	Pappas	Terwilliger
Belanger	DeCramer	Knaak	Piper	Traub
Benson, D.D.	Flynn	Laidig	Pogemiller	Waldorf
Benson, J.E.	Frederickson, D.J.	Larson	Ranum	
Berglin	Gustafson	Luther	Reichgott	
Bernhagen	Hottinger	Marty	Renneke	
Brataas	Johnson, D.E.	McGowan	Riveness	

The motion did not prevail.

The question recurred on the motion of Mr. Marty. The motion prevailed.

S.F. No. 897 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berg	Chmielewski	Dicklich	Lessard	Stumpf
Bertram	Davis	Langseth	Samuelson	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1701, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1701 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1701

A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1701, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1701 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, *and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle*. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 1990, section 168.012, is amended by adding a subdivision to read:

Subd. 12. [FEES CREDITED TO HIGHWAY USER FUND.] *Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 168.041, is amended by adding a subdivision to read:

Subd. 11. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 4. Minnesota Statutes 1990, section 168.042, is amended by adding

a subdivision to read:

Subd. 15. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 5. Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a $25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

The following cars built between and including 1925 and 1948 are classic:

A.C.	
Adler	
Alfa Romeo	
Alvis	Speed 20, 25, and 4.3 litre.
Amilcar	
Aston Martin	
Auburn	All 8-cylinder and 12-cylinder models.
Audi	
Austro-Daimler	
Avions Voisin 12	
Bentley	
Blackhawk	
B.M.W.	Models 327, 328, and 335 only.
Brewster (Heart-front Ford)	
Bugatti	
Buick	1931 through 1942: series 90 only.
Cadillac	All 1925 through 1935. *All 12's and 16's.* 1936-1948: Series *63, 65,* 67,

	70, 72, 75, 80, 85 and 90 only. ~~1938-1941~~ *1938-1947*: 60 special only. *1940-1947: All 62 Series.*
Chrysler	1926 through 1930: Imperial 80. *1929: Imperial L.* ~~1931: Imperial 8 Series CG.~~ ~~1932: Series CG, CH and CL.~~ ~~1933: Series CL.~~ ~~1934: Series CW.~~ ~~1935: Series CW.~~ *1931 through 1937: Imperial Series CG, CH, CL, and CW.* All Newports and Thunderbolts. *1934 CX.* *1935 C-3.* *1936 C-11.* *1937 through 1948: Custom Imperial, Crown Imperial Series C-15, C-20, C-24, C-27, C-33, C-37, and C-40.*
Cord	
Cunningham	
Dagmar	Model 25-70 only.
Daimler	
Delage	
Delahaye	
Doble	
Dorris	
Duesenberg	
du Pont	
Franklin	All models except 1933-34 Olympic Sixes.
Frazer Nash	
Graham	*1930-1931: Series 137.*
Graham-Paige	*1929-1930: Series 837.*
Hispano Suiza	
Horch	
Hotchkiss	
Invicta	
Isotta Fraschini	
Jaguar	
Jordan	Speedway Series 'Z' only.
Kissel	1925, 1926 and 1927: Model 8-75. 1928: Model 8-90, and 8-90 White Eagle. 1929: Model 8-126, and 8-90 White Eagle. 1930: Model 8-126. 1931: Model 8-126.
Lagonda	

Lancia	
La Salle	1927 through 1933 only.
Lincoln	All models K, L, KA, and KB. 1941: Model 168H. 1942: Model 268H.
Lincoln Continental	1939 through 1948.
Locomobile	All models 48 and 90. 1927: Model 8-80. 1928: Model 8-80. 1929: Models 8-80 and 8-88.
Marmon	All 16-cylinder models. 1925: Model 74. 1926: Model 74. 1927: Model 75. 1928: Model E75. 1930: Big 8 model. 1931: Model 88, and Big 8.
Maybach	
McFarlan	
Mercedes Benz	All models 2.2 litres and up.
Mercer	
M.G.	6-cylinder models only.
Minerva	
Nash	*1931: Series 8-90.* *1932: Series 9-90,* *Advanced 8, and Ambassador 8.* *1933-1934: Ambassador 8.*
Packard	1925 through 1934: All models. 1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only. 1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69. 1930-1931: Custom 8. 1932: Deluxe Custom 8.
Pierce Arrow	
Railton	
Renault	Grand Sport model only.
Reo	1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8. 1933: Royale Custom 8.
Revere	
Roamer	1925: Series 8-88, 6-54e, and 4-75. 1926: Series 4-75e, and 8-88. 1927-1928: Series 8-88.

	1929: Series 8-88, and 8-125. 1930: Series 8-125.
Rohr	
Rolls Royce	
Ruxton	
Salmson	
Squire	
Stearns Knight	
Stevens Duryea	
Steyr	
Studebaker	*1929-1933: President, except model 82.*
Stutz	
Sunbeam	
Talbot	
Triumph	*Dolomite 8 and Gloria 6.*
Vauxhall	Series *25-70 and* 30-98 only.
Voisin	
Wills Saint Claire	

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of $10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If owning or jointly owning more than one motor vehicle of the type specified in this subdivision, the applicant may apply for special plates for each of not more than two vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable rules governing the use of the special license plates as will assure the full compliance by

the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof.

Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of $5. ~~The fee must be paid into the state treasury and credited to the highway user tax distribution fund.~~ The registrar must be notified of the transfer and may prescribe a form for the notification.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1990, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee ~~of $2 for a~~ *that is calculated to cover the cost of manufacturing and issuing the* license plate ~~for a motorcycle, motorized bicycle, or motorized sidecar, and $2 for license~~ *or* plates, ~~other than~~ *except for license plates issued to disabled veterans as defined in section 168.031 and* license plates issued pursuant to section *168.124 or* 168.27, subdivisions 16 and 17, for passenger automobiles. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1990, section 168.128, is amended by adding a subdivision to read:

Subd. 4. [FEES CREDITED TO HIGHWAY USER FUND.] *Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.*

Sec. 9. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, *the commissioner may* issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of $15.

Sec. 10. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17, subdivision 9a,~~ *3* is delinquent in either ~~the~~ filing or ~~payment of~~ *paying* the international fuel tax agreement reports for more than 30 days, or ~~the payment of~~ *paying* the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 11. Minnesota Statutes 1990, section 168.29, is amended to read:

168.29 [~~DUPLICATE~~ *REPLACEMENT* PLATES.]

In the event of the defacement, loss or destruction of any number plates *or validation stickers*, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates *or validation stickers*, together with any defaced plates *or stickers* and the payment of ~~the~~ *a* fee ~~of $5~~ *calculated to cover the cost of replacement*, shall issue a new set of plates~~, except for duplicate personalized license plates provided for in section 168.12, subdivision 2a. The registrar shall impose a fee to replace personalized plates not to exceed the actual cost of producing the plates~~ *or stickers*.

The registrar shall then note on the registrar's records the issue of ~~such~~ new number plates and shall proceed in such manner as the registrar may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle.

Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a $1 fee.

Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 12. Minnesota Statutes 1990, section 169.67, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES.] Every motor vehicle, other than a motorcycle, when operated upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels. *The requirement in this subdivision for separate braking systems does not apply to a commercial motor vehicle described in section 169.781, subdivision 5, paragraph (d).*

Sec. 13. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than $2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, *or (3) a building mover vehicle* must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the

North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), *or (3)* is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle.

Sec. 14. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2a. [RESTRICTED COMMERCIAL DRIVERS' LICENSES.] *(a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation entitled "waiver for farm-related service industries" as published in the Federal Register, April 17, 1992:*

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 and 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the administrative procedure act.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, *or to a*

physically disabled person, as defined in section 169.345, subdivision 2, is 50 cents.

Sec. 16. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track; ~~or~~

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(f) To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and

(g) To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 17. Minnesota Statutes 1990, section 222.63, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] A state rail bank shall be established for the acquisition and preservation of abandoned rail lines and ~~right-of-way~~ *rights-of-way, and of rail lines and rights-of-way proposed for abandonment in a railroad company's system diagram map,* for future public use including trail use, or for disposition for commercial use in serving the public, by providing transportation of persons or freight or transmission of energy, fuel, or other commodities. *Abandoned rail lines and rights-of-way may be acquired for trail use by another state agency or department or by a political subdivision only if (1) no future commercial transportation use is identified by the commissioner, and (2) the commissioner and the owner of the abandoned rail line have not entered into or are not conducting good-faith negotiations for acquisition of the property.*

Sec. 18. Minnesota Statutes 1990, section 222.63, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION.] The commissioner of transportation may acquire by purchase all or part of any abandoned rail line or right-of-way *or rail line or right-of-way proposed for abandonment in a railroad company's system diagram map* which is necessary for preservation in the state rail bank to meet the future public and commercial transportation and

transmission needs of the state. The commissioner ~~shall not~~ *may* acquire ~~any~~ *by eminent domain under chapter 117 an* interest in ~~an~~ abandoned rail ~~line~~ *lines* or ~~right-of-way for inclusion in the state rail bank~~ *rights-of-way except that the commissioner may not acquire* by eminent domain ~~except to quiet title or when all owners as defined in section 117.025 that are known to the court have no objection to the taking~~ *rail lines or rights-of-way that are not abandoned or are owned by a political subdivision of the state or by another state. All property taken by exercise of the power of eminent domain under this subdivision is declared to be taken for a public governmental purpose and as a matter of public necessity.*

Sec. 19. Minnesota Statutes 1990, section 222.63, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION PERMITTED.] The commissioner may lease any rail line or right-of-way held in the state rail bank or enter into an agreement with any person for the operation of any rail line or right-of-way for any of the purposes set forth in subdivision 2 in accordance with a fee schedule to be developed by the commissioner ~~in consultation with the advisory task force established in section 222.65~~. The commissioner may after consultation convey any rail line or right-of-way, for consideration or for no consideration and upon other terms as the commissioner may determine to be in the public interest, to any other state agency or to a governmental subdivision of the state having power by law to utilize it for any of the purposes set forth in subdivision 2.

Sec. 20. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] *The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.*

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] *An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.*

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] *Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.*

Subd. 4. [EXCHANGES OF INFORMATION.] *The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.*

Subd. 5. [BASE STATE FUEL COMPACT.] *The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.*

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] *Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.*

Subd. 7. [DELINQUENT FILING OR PAYMENT.] *If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.*

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] *If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.*

Subd. 9. [FUEL COMPACT FEES.] *License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the highway user tax distribution fund. The commissioner shall charge the fuel license fee of $30 established under section 296.17, subdivision 10, in annual installments of $15 and an annual application filing fee of $13 for quarterly reporting of fuel tax.*

Subd. 10. [FUEL DECAL FEES.] *The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund.*

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; exempting certain vehicles of county social services agencies from the requirement to display identification; authorizing issuance of restricted commercial drivers' licenses; crediting license plate fees to highway uses tax distribution; updating collector vehicle list for vehicle registration purposes; exempting certain farm trucks from requirement for separate braking systems; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; authorizing fuel tax compacts; providing for fees; amending Minnesota Statutes 1990, sections 168.012, subdivision 1, and by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; 168.187, subdivisions 17 and 26; 168.29; 169.67, subdivision 1; 171.02, by adding a subdivision; 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; Minnesota Statutes 1991 Supplement, sections 168.041, by adding a subdivision; 168.10, subdivision 1b; 169.781, subdivision 5; 171.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Andy Steensma, James I. Rice, Henry J. Kalis

Senate Conferees: (Signed) Gary M. DeCramer, Keith Langseth, Roy W. Terwilliger

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1701 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1701 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Morse	Sams
Beckman	DeCramer	Kelly	Novak	Solon
Belanger	Dicklich	Laidig	Olson	Spear
Benson, J.E.	Flynn	Langseth	Pappas	Stumpf
Berg	Frank	Larson	Pariseau	Terwilliger
Berglin	Frederickson, D.J.	Lessard	Pogemiller	Traub
Bernhagen	Frederickson, D.R.	Luther	Price	Vickerman
Bertram	Hottinger	Mehrkens	Ranum	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.E.	Moe, R.D.	Renneke	
Davis	Johnson, D.J.	Mondale	Riveness	

Those who voted in the negative were:

Benson, D.D.	Finn	Knaak	McGowan	Neuville
Brataas	Gustafson	Kroening	Merriam	Samuelson
Chmielewski	Johnston			

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1898: A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Senate File No. 1898 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1898 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1898 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dicklich	Novak	Pogemiller	Riveness	Samuelson
Finn				

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has refused to adopt the Conference Committee report on the following Senate File and is returning the bill, together with the Conference Committee Report, to the Senate and to the Conference Committee.

S.F. No. 1993: A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

Senate File No. 1993 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

Mr. Moe, R.D. moved that S.F. No. 1993 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2042.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 16, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 2042: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 2795: A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1991 Supplement, section 302A.402, subdivision 3.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 51.] Minnesota Statutes 1990, section 148B.21, subdivision 7, as added by Laws 1992, chapter 460, section 14, is amended to read:

Subd. 7. [ESTABLISHMENT OF CANDIDACY STATUS.] (a) The board may issue a practice permit to an applicant in the following situations, provided the applicant meets all other requirements for licensure:

(1) the applicant has applied to take the first examination for licensure given by the board following either graduation or anticipated graduation from an accredited program of social work; or

(2) the applicant is licensed or certified to practice social work in Minnesota or another jurisdiction, meets the requirements in section 148B.24, ~~has or~~ is intending to establish a ~~residence~~ *practice* in Minnesota before being able to take the next examination for licensure given by the board, and has applied to take the same examination.

(b) The practice permit is valid until the board takes final action on the application, which shall occur within 60 days of the board's receipt of the applicant's examination results. The board, at its discretion, may extend the practice permit if the applicant fails to pass or take the examination. If the board determines that an extension of the practice permit is not warranted, the applicant must cease practicing social work immediately.

(c) An applicant who obtains a practice permit, and who has applied for a level of licensure which requires supervision upon licensure, may practice social work only under the supervision of a licensed social worker who is eligible to provide supervision under section 148B.18, subdivision 12. The applicant's supervisor must provide evidence to the board, before the applicant is approved by the board for licensure, that the applicant has practiced social work under supervision. This supervision will not apply toward the supervision requirement required after licensure.

Sec. 3. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 8, section 33, if enacted, is amended to read:

Sec. 33. [STATE BOARD GRADUATION RULE.]

The state board of education shall report to the education committees of the legislature a progress report about the proposed high school graduation rule by February 1, 1993, and a final report about the proposed rule by January 1, 1994. Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule before July 1, *1994*. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply to the rule.

Sec. 4. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1990, section 275.125, subdivision 6k, as added by 1992 H.F. No. 2121, article 7, section 12, is amended to read:

Subd. 6k. [HEALTH INSURANCE LEVY.] (a) A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision. Notwithstanding section 121.904, 50 percent of the amount levied shall be recognized as revenue

for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

(b) The school board of a joint vocational technical district formed under sections 136C.60 to 136C.69 and the school board of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

(2) has at least 25 years of service credit in the public pension plan of which the person is a member on the day before retirement or, in the case of a teacher, has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive provided under the collective bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(d) An employee who retires under this subdivision using the rule of 90 must not be included in the calculations required by section 356.85.

(e) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

(f) If a school district levies according to this subdivision, it may not also levy according to article 6, section 9 *13*, for eligible employees.

Sec. 5. [CORRECTION 52: EDUCATION AIDS.] 1992 H.F. No. 2121, article 1, section 20, is amended to read:

Sec. 20. [LOW FUND BALANCE LEVY.]

(a) For 1992 taxes payable in 1993, a district meeting the qualifications in paragraph (b) may levy an amount not to exceed $40 times the number of actual pupil units in the district in fiscal year 1993.

(b) a district qualifies for a levy under this section if:

(1) its net unappropriated operating fund balance on June 30, 1991, divided by its actual pupil units for fiscal year 1993 is less than $85;

(2) its adjusted net tax capacity used to compute fiscal year 1993 general education revenue divided by its fiscal year 1993 actual pupil units is less than $2,100; and

(3) it does not have referendum levy authority under Minnesota Statutes, section 124A.03.

Notwithstanding Minnesota Statutes, section 121.904, or H.F. No. 2121, article 12, section 25, or any other law to the contrary, the entire amount of this levy shall be recognized in the fiscal year in which the levy is certified.

Sec. 6. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 5, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

Sections 7, 8, 9, 10, 11, *16*, 25, 30, 31, 32, 33, and 36 are effective the day following final enactment.

Section 3 is effective the day following final enactment and applies to 1991-1992 and later school years.

Section 1 is effective July 1, 1992, and applies to school facilities projects submitted to the commissioner on or after July 1, 1992.

Section 4 is effective July 1, 1993.

Sec. 7. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 6, section 39, is amended to read:

Sec. 39. [REPEALER.]

Subdivision 1. [JUNE 1991.] Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2, are repealed as of June 1, 1991.

Subd. 2. [JULY 1, 1992.] Minnesota Statutes 1990, ~~section~~ *sections 122.23, subdivisions 16a and 16b*, 136D.74, subdivision 3; Laws 1991, chapter 265, article 6, section 64; Laws 1991, chapter 265, article 6, sections 4, 20, 22 to 26, 28, 30 to 33, and 41 to 45, are repealed.

Subd. 3. [EXPIRATION.] Minnesota Statutes 1990, chapter 136D, as amended, sections 121.935, 122.91 to 122.95, 123.351, ~~123.358~~ *123.58*, and 124.575, and Minnesota Statutes 1991, sections 124.2721 and 124.2727 expire as of July 1, 1995.

Sec. 8. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, as amended by 1992 H.F. No. 2121, article 7, section 11, is amended to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991 and subsequent years, payable in 1992 and subsequent years, each

school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to $1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools and (2) to pay the costs for a drug abuse prevention program as defined in *Minnesota Statutes 1991 Supplement*, section 609.101, subdivision 3, paragraph (f) in the elementary schools. The school district must initially attempt to contract for these services with the police department of each city or the sheriff's department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.

Sec. 9. [CORRECTION 52; EDUCATION AIDS.] 1992 H.F. No. 2121, article 8, section 32, is amended to read:

Sec. 32. [LEGISLATIVE COMMITMENT TO A RESULTS-ORIENTED GRADUATION RULE.]

The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board of education shall use its rulemaking authority granted under Minnesota Statutes, section 121.11, subdivision 12, to adopt a statewide, results-oriented graduation rule according to the timeline in section ~~34~~ *33*. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in the rule.

Sec. 10. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2b, as added by 1992 H.F. No. 2121, article 1, section 14, is amended to read:

Subd. 2b. [REFERENDUM DATE.] In addition to the referenda allowed in subdivision 2, clause ~~(g)~~ *(a)*, the commissioner may authorize a referendum for a different day.

(a) The commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(b) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Sec. 11. [CORRECTION 52; EDUCATION AIDS.] Minnesota Statutes 1990, section 124.155, subdivision 1, as amended by 1992 H.F. No. 2121, article 1, section 6, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, education district, or secondary vocational cooperative for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, education district, or secondary vocational cooperative recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, shall not include any amount levied pursuant to sections 124A.03, subdivision 2, and 275.125, subdivisions ~~5~~ *5i*, 6e, 6i, 6k, and 24; article 6, sections 29 and 36; article 12, section 25; and section 20 of this article. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 12. [CORRECTION 53: LOCAL AIDS.] Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ *26* annually.

The commissioner may pay all or part of the payment due on December ~~15~~ *26* at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 13. [CORRECTION 54: AMUSEMENT RIDES.] Laws 1992, chapter 382, section 8, is amended to read:

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, ~~1991~~ *1992*.

Sec. 14. [CORRECTION 55: APPROPRIATIONS.] 1992 H.F. No. 2694, article 5, section 2, subdivision 2, if enacted, is amended to read:

Subd. 2. Human Services Administration	(2,150,000)	(3,939,000)

Up to $500,000 may be transferred within the department as the commissioner considers necessary, with the advance approval of the commissioner of finance.

For fiscal year 1993, $75,000 is appropriated to the commissioner for a cooperative project with Alexandria technical college regarding MAXIS data. If the commissioner and the college jointly develop a feasible project, the commissioner may transfer the $75,000 to the

college and may transfer summary data from the MAXIS data system to the college for the purpose of developing graphic representation of the data for legislative and executive branch use, as requested, utilizing geographic information systems. For purposes of this section, summary data has the meaning given it in Minnesota Statutes, section 13.02, subdivision 19.

Sec. 15. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 5, section 12, is amended to read:

Sec. 12. [EFFECTIVE DATE.]

Section 11 is effective July 1, 1992. The remaining sections in this article ~~is~~ *are* effective the day following final enactment.

Sec. 16. [CORRECTION 55; APPROPRIATIONS.] Minnesota Statutes 1990, section 256B.431, subdivision 17, as added by 1992 H.F. No. 2694, article 7, section 99, is amended to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility that has completed a renovation, replacement, or upgrading project approved under the moratorium exception process in section 144A.073 shall be reimbursed for costs directly identified to that project as provided in subdivision 16 and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), and subpart 7, item D, allowable interest expense on debt shall include:

(1) interest expense on debt related to the cost of purchasing or replacing depreciable equipment, excluding vehicles, not to exceed six percent of the total historical cost of the project; and

(2) interest expense on debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project. To the extent these costs are financed, the straight-line amortization of the costs in this clause is not an allowable cost; and

(3) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(c) Debt incurred for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(d) The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, resulting from the acquisition of allowable capital assets, and allowable debt and interest expense under this subdivision shall be added to its property-related payment rate and shall be effective on the first day of the month following the month in which the moratorium project was completed.

(e) Notwithstanding subdivision 3f, paragraph (a), for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, the replacement-costs-new per bed limit to be used in Minnesota Rules, part 9549.0060, subpart 4, item B, for a nursing facility that has completed a renovation, replacement, or upgrading project that has been approved under the moratorium exception process in section 144A.073, or that has completed an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of $150,000 or ten percent of the most recent appraised value, must be $47,500 per licensed bed in multiple-bed rooms and $71,250 per licensed bed in a single-bed room. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a), beginning January 1, 1993.

(f) A nursing facility that completes a project identified in this subdivision and, as of April 17, 1992, has not been mailed a rate notice with a special appraisal for a completed project, or completes a project after April 17, 1992, but before September 1, 1992, may elect either to request a special reappraisal with the corresponding adjustment to the property-related payment rate under the laws in effect on June 30, 1992, or to submit their capital asset and debt information after that date and obtain the property-related payment rate adjustment under this section, but not both.

Sec. 17. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 7, section 132, is amended to read:

Sec. 132. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

Effective October 1, 1992, the commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in Minnesota Statutes, section 256.969, subdivisions 1, 9, ~~and~~ 20, *and 21*, and sections 130 and 131. The adjustment to reflect increases under section 256.969, subdivision 9, must be made on a nondiscounted basis.

Sec. 18. [CORRECTION 55; APPROPRIATIONS.] 1992 H.F. No. 2694, article 7, section 137, is amended to read:

Sec. 137. [EFFECTIVE DATES.]

Section 39 is effective January 1, 1993.

Section 60 is effective the day following final enactment.

Sections 9, 15, 16, 18 to 21, 25, 27, 46, 82, 123, and 124 are effective October 1, 1992.

Section 42 is effective July 1, 1992, and applies to transfers or payments made on or after that date.

Section 130 is not effective in the event that the health right program is not enacted into law prior to October 1, 1992. In the event the health right program is not enacted into law prior to October 1, 1992, the percentage increase in reimbursement rates scheduled to be effective October 1, 1992, and provided for in section 131 shall not be effective, and the commissioner shall implement, effective October 1, 1992, the rate increases provided in Minnesota Statutes, section 256B.74, subdivision 2 and 5.

That portion of section 28 *which amends Minnesota Statutes, section 256.9695, subdivision 3, paragraph (c),* is effective for admissions occurring on or after October 1, 1992.

The provisions of section 44 relating to prior authorization of drugs are effective for all drugs added to the list of drugs requiring prior authorization on or after July 1, 1992.

Sec. 19. [CORRECTION 56; PESTICIDE FEES.] Minnesota Statutes 1990, section 18B.26, subdivision 3, as amended by 1992 H.F. No. 2694, article 2, section 15, if enacted, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of $250 *plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year.* The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, ~~at least $500,000~~ *$600,000* per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, ~~and $100,000 per fiscal year~~ *and the additional amount collected for pesticides with Health Advisory Summaries* shall be credited to the agricultural project utilization account under section 116O.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.

(b) An additional fee of $100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 20. [CORRECTION 58; SALES TAX ADMINISTRATION.] 1992 H.F. No. 2940, article 8, is amended by adding a section to read:

Sec. 40. [APPROPRIATION.]

$110,000 is appropriated from the general fund to the commissioner of revenue for the purpose of administering the city of Ely local sales tax authorized in section 31. This appropriation is contingent upon the passage of a referendum by the city of Ely authorizing the additional tax.

$110,000 is appropriated from the general fund to the commissioner of revenue for the purpose of administering the city of Thief River Falls local sales tax authorized in section 32. This appropriation is contingent upon the passage of a referendum by the city of Thief River Falls authorizing the additional tax.

Sec. 21. [CORRECTION 59: COUNTY LEVY HEARING.] Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, as amended by 1992 H.F. No. 2940, article 3, section 7, if enacted, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, or 124B.03, subdivision 2, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a;

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; and

(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax

revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its hearing on the ~~first~~ *second* Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

Sec. 22. [CORRECTION 60; LOCAL GOVERNMENT TRUST FUND.] 1992 H.F. No. 2940, article 1, section 3, if enacted, is amended to read:

Sec. 3. [16A.712] [LOCAL GOVERNMENT TRUST: APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

(1) attached machinery aid to counties under section 273.138;

(2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391; ~~The school district's supplemental homestead credit shall be appropriated to the commissioner of education~~;

(3) $560,000 in fiscal year 1993 and $300,000 annually in fiscal years 1994 and 1995 for tax administration;

(4) $105,000 annually to the commissioner of finance in fiscal years 1993, 1994, and 1995 to administer the trust fund;

(5) $25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;

(6) $350,000 in fiscal year 1993 and $1,200,000 annually in fiscal years

1994 and 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; and

(7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.

Sec. 23. [CORRECTION 61; LOCAL GOVERNMENT TRUST FUND.] Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 5, as added by 1992 H.F. No. 2940, article 1, section 2, if enacted, is amended to read:

Subd. 5. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] For the second fiscal year of each biennium, the commissioner of revenue shall make adjustments in aid amounts so that the anticipated total obligations of the local government trust fund are equal to anticipated total revenues.

In the event that anticipated total obligations of the trust fund exceed anticipated total revenues, each jurisdiction's aid will be reduced as provided under section 477A.0132. For fiscal year 1993 only, if reductions are necessary in an amount greater than $6,700,000, the additional reduction for the shortfall beyond $6,700,000 will be applied only to aids under section 477A.013.

In the event that anticipated total obligations of the trust fund are less than anticipated total revenues, aid amounts for the following programs will be proportionately increased to bring anticipated total expenditures into conformance with anticipated total revenues:

(1) local government aid and equalization aid under section 477A.013;

(2) community social services aid under section 256E.06; and

(3) county criminal justice aid under section 477A.0121.

~~If the commissioner estimates further aid adjustments are necessary after aid amounts have already been certified, but before all aid amounts have been paid, all remaining aid payments will be increased or decreased proportionately.~~

Sec. 24. [CORRECTION 62; PROPOSED PROPERTY TAX NOTICE.] 1992 H.F. No. 2940, article 3, section 10, if enacted, is amended to read:

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 9 are effective for taxes levied in 1992, payable in 1993, and thereafter *except that section 4, paragraph (g), is effective for taxes levied in 1993, payable in 1994, and thereafter.* Section 1 is effective for aids paid in 1993 and thereafter.

Sec. 25. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 6, subdivision 5, if enacted, is amended to read:

Subd. 5. [CONFLICTS OF INTEREST.] No member may participate or vote in ~~commission~~ *board* proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the ~~commission's~~ *board's* proceedings other than as an individual consumer of health care services.

Sec. 26. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 9, if enacted, is amended to read:

Sec. 9. [62J.19] [SUBMISSION OF REGIONAL PLAN TO COMMISSIONER.]

Each regional coordinating ~~organization~~ *board* shall submit its plan to the commissioner on or before June 30, 1993. In the event that any major provider, provider group or other entity within the region chooses to not participate in the regional planning process, the commissioner may require the participation of that entity in the planning process or adopt other rules or criteria for that entity. In the event that a region fails to submit a plan to the commissioner that satisfactorily promotes the objectives in section 62J.09, subdivisions 1 and 2, or where competing plans and regional coordination ~~organizations~~ *boards* exist, the commissioner has the authority to establish a public regional coordinating ~~organization~~ *board* for purposes of establishing a regional plan which will achieve the objectives. The public regional coordinating ~~organization~~ *board* shall be appointed by the commissioner and under the commissioner's direction.

Sec. 27. [CORRECTION 63; HEALTH RIGHT.] 1992 H.F. No. 2800, article 1, section 10, if enacted, is amended to read:

Sec. 10. [62J.21] [REPORTING TO THE LEGISLATURE.]

The commissioner shall report to the legislature by January 1, 1993 regarding the process being made within each region with respect to the establishment of a regional coordinating ~~organization~~ *board* and the development of a regional plan. In the event that the commissioner determines that any region is not making reasonable progress or a good-faith commitment towards establishing a regional coordinating ~~organization~~ *board* and regional plan, the commissioner may establish a public regional board for this purpose. The commissioner's report should also include the issues, if any, raised during the planning process to date and request any appropriate legislate action that would facilitate the planning process.

Sec. 28. [CORRECTION 63; HEALTH RIGHT.] Minnesota Statutes 1990, section 256.936, subdivision 2a, as added by 1992 H.F. No. 2800, article 4, section 4, if enacted, is amended to read:

Subd. 2a. [COVERED HEALTH SERVICES.] (a) [COVERED SERVICES.] "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of $1,000 per adult enrollee and $2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the $1,000 and $2,500 limitations on outpatient

mental health services. Covered health services shall be expanded as provided in this subdivision.

(b) [ALCOHOL AND DRUG DEPENDENCY.] Beginning October 1, 1992, covered health services shall include up to ten hours per year of individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program. Two hours of group treatment count as one hour of individual treatment.

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

(c) [INPATIENT HOSPITAL SERVICES.] Beginning July 1, 1993, covered health services shall include inpatient hospital services, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees not eligible for medical assistance is subject to an annual benefit limit of $10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(d) [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] Beginning July 1, 1993, covered health services shall include emergency medical transportation services.

(e) [FEDERAL WAIVERS AND APPROVALS.] The commissioner shall coordinate the provision of hospital inpatient services under the health right plan with enrollee eligibility under the medical assistance spend-down, and shall apply to the secretary of health and human services for any necessary federal waivers or approvals.

(f) [COPAYMENTS AND COINSURANCE.] The health right benefit plan shall include the following copayments and coinsurance requirements:

(1) ten percent for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of $2,000 per individual and $3,000 per family;

(2) 50 percent for adult dental services, except for preventive services;

(3) $3 per prescription for adult enrollees; and

(4) $25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spenddown ~~must pay~~ *shall be financially responsible for* the coinsurance amount up to the spenddown limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

Sec. 29. [CORRECTION 64; CRIME BILL.] 1992 H.F. No. 1849, article 10, section 28, if enacted, is amended to read:

Sec. 28. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of ~~human services~~ *public safety* 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. 30. [CORRECTION 66; LOCAL GOVERNMENT PURCHASES.] *Laws 1992, chapter 380, takes effect the day after final enactment.*

Sec. 31. [CORRECTION 67; MEDICAL ASSISTANCE PAYMENTS.] Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20, as amended by 1992 H.F. No. 2694, article 1, section 26, if enacted, is amended to read:

Subd. 20. [INCREASES IN MEDICAL ASSISTANCE INPATIENT PAYMENTS; CONDITIONS.] (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period

January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient ~~payments~~ *payment rates* shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

Sec. 32. [CORRECTION 67; MEDICAL ASSISTANCE RATES.] Minnesota Statutes 1991 Supplement, section 256.969, subdivision 21, as amended by 1992 H.F. No. 2694, article 1, section 27, if enacted, is amended to read:

Subd. 21. [MENTAL HEALTH OR CHEMICAL DEPENDENCY ADMISSIONS; *RATES*.] ~~Mental health and chemical dependency inpatient hospital services for a hold or commitment ordered by the court~~ *Admissions under the general assistance medical care program occurring on or after July 1, 1990, and admissions under medical assistance, excluding general assistance medical care, occurring on or after July 1, 1990, and on or before September 30, 1992, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays* which are medically necessary *for inpatient hospital services* and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 33. [CORRECTION 68; APPROPRIATION.] 1992 H.F. No. 2694, article 4, section 59, subdivision 3, if enacted, is amended to read:

Subd. 3. [CONDITIONS; COVERAGE.] An employee who is eligible both for the health insurance benefit under this section and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive in the collective bargaining agreement~~,~~ *or* personnel plan, or the incentive provided under this section, but may not receive both. For purposes

of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Nothing in this section obligates, limits, or otherwise affects the right of the University of Minnesota to provide employer-paid hospital, medical, dental benefits, and life insurance to any person.

Sec. 34. [CORRECTION 70; MERCURY.] 1992 H.F. No. 2147, section 3, subdivision 9, if enacted, is amended to read:

Subd. 9. [ENFORCEMENT; GENERATORS OF HOUSEHOLD HAZARDOUS WASTE.] (a) A violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, *or a violation of subdivision 8 by a person selling at retail,* is not subject to enforcement under section 115.071, subdivision 3.

(b) An administrative penalty imposed under section 116.072 for a violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, *or for a violation of subdivision 8 by a person selling at retail,* may not exceed $700."

Delete the title and insert:

"A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, sections 18B.26, subdivision 3, as amended; 124.155, subdivision 1, as amended; 148B.21, subdivision 7, as added; 256.936, subdivision 2a, as added; 256B.431, subdivision 17, as added; 275.125, subdivision 6k, as added; and 477A.015; Minnesota Statutes 1991 Supplement, sections 16A.711, subdivision 5, as added; 124A.03, subdivision 2b, as added; 256.969, subdivisions 20, as amended, and 21, as amended; 275.065, subdivision 6, as amended; 275.125, subdivision 6j, as amended; and 302A.402, subdivision 3; Laws 1992, chapter 382, section 8; 1992 House File 1849, article 10, section 28; House File 2121, article 1, section 20; article 5, section 37; article 6, section 39; article 8, sections 32 and 33; House File 2147, section 3, subdivision 9; House File 2694, article 4, section 59, subdivision 3; article 5, section 2, subdivision 2; and section 12; article 7, sections 132 and 137; House File 2800, article 1, section 6, subdivision 5; sections 9 and 10; House File 2940, article 1, section 3; article 3, section 10; and article 8, by adding a section."

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

SECOND READING OF SENATE BILLS

S.F. No. 2795 was read the second time.

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 S.F. No. 2795 and that the rules of the Senate be so far suspended as to give S.F. No. 2795, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Spear moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 71; RAILROADS.] 1992 H.F. No. 1701, if enacted, is amended by adding a section to read:

Sec. 22. [EFFECTIVE DATE.]

This act takes effect the day after final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1990, section 169.965, subdivision 8, as added by 1992 H.F. No. 2694, article 1, section 21, is amended to read:

Subd. 8. [ALLOCATION OF FINES.] The fines collected in Hennepin, St. Louis, and Stevens counties shall be paid into the treasury of the University of Minnesota, except that the portion of the fines necessary to cover all costs and disbursements incurred in processing and prosecuting the violations in the court shall be ~~transferred to~~ *retained by* the court administrator *in Hennepin and St. Louis counties and by the city of Morris in Stevens county.*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend S.F. No. 2795, as amended by the Senate April 16, 1992, as follows:

Page 2, after line 7, insert:

"Sec. 2. [CORRECTION 73; DAKOTA COUNTY.] 1992 H.F. 1701, if enacted, is amended by adding a section to read:

Sec. 23. [DAKOTA COUNTY; TRANSPORTATION PLANNING.]

Subdivision 1. The Dakota county regional railroad authority may transfer any available money of the authority generated by local property tax levies and state grants, including money in capital accounts, to Dakota county to be expended to meet other transportation purposes. The commissioner of transportation shall amend any contract with Dakota county providing funds for light rail transit purposes under Laws 1989, chapter 269, section 2, subdivision 3, to allow the county to use the funds for purposes consistent with this section.

Subd. 2. This section takes effect the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 2795 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 63 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frederickson, D.J. and Waldorf voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. McGowan introduced—

Senate Resolution No. 144: A Senate resolution commending Police Chief Bob Burlingame and Lieutenant Ron Markgraf for their many years of dedicated service for the City of Maple Grove.

Referred to the Committee on Rules and Administration.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 145: A Senate resolution commemorating the lives and work of deceased Senators.

The Honorable Ernest J. Anderson 1955-1972
The Honorable Robert O. Ashbach 1967-1982
The Honorable John Blatnik 1941-1946
The Honorable John C. Chenoweth 1971-1980
The Honorable Victor Christgau 1927-1928
The Honorable Robert R. Dunlap 1953-1966
The Honorable Richard W. Fitzsimons 1973-1976
The Honorable Raymond J. Higgins 1965-1970
The Honorable Doran L. Isackson 1983-1986
The Honorable Carl A. Jensen 1967-1980
The Honorable Raymond J. Julkowski 1939-1954
The Honorable Jack I. Kleinbaum 1973-1980
The Honorable Henry Nycklemoe 1955-1958
The Honorable Richard J. Parish 1963-1966 and 1971-1972
The Honorable Gordon Rosenmeier 1941-1970
The Honorable Knut Magnus Wefald 1947-1958
The Honorable Myrton Wegener 1971-1982

The Honorable John Zwach 1947-1966

WHEREAS, those in public office need an uncommon dedication to meet the demands upon their time, resources, and talents; and

WHEREAS, in the history of the Minnesota Senate, there have been countless Senators who have left a heritage of noble deeds, thoughts, and acts; and

WHEREAS, in their endeavors to legislate for the common good of the people of this state, they strove to represent fairly the rights of the people; and

WHEREAS, their spirits continually challenge, enlighten, and encourage those who remain to exercise the work of government; and

WHEREAS, Senators of today take courage and inspiration from those noble servants of another time who saw it better to serve than to be served, and to work honestly and diligently for the common good; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it recognizes the tremendous contributions of the following deceased Senators: The Honorable Ernest J. Anderson, 1955-1972; The Honorable Robert O. Ashbach, 1967-1982; The Honorable John Blatnik, 1941-1946; The Honorable John C. Chenoweth, 1971-1980; The Honorable Victor Christgau, 1927-1928; The Honorable Robert R. Dunlap, 1953-1966; The Honorable Richard W. Fitzsimons, 1973-1976; The Honorable Raymond J. Higgins, 1965-1970; The Honorable Doran L. Isackson, 1983-1986; The Honorable Carl A. Jensen, 1967-1980; The Honorable Raymond J. Julkowski, 1939-1954; The Honorable Jack I. Kleinbaum, 1973-1980; The Honorable Henry Nycklemoe, 1955-1958; The Honorable Richard J. Parish, 1963-1966 and 1971-1972; The Honorable Gordon Rosenmeier, 1941-1970; The Honorable Knut Magnus Wefald, 1947-1958; The Honorable Myrton Wegener, 1971-1982; and The Honorable John Zwach, 1947-1966. Their dedication to the public good is a source of inspiration to, and is worthy of emulation by, their present-day colleagues.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and present them to appropriate relatives of those commemorated by this resolution.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 146: A Senate resolution relating to conduct of Senate business during the interim between Sessions.

BE IT RESOLVED, by the Senate of the State of Minnesota:

The powers, duties, and procedures set forth in this resolution apply during the interim between the adjournment sine die of the 77th Legislature, 1992 Session, and the convening of the 78th Legislature, 1993 Session.

The Committee on Rules and Administration may, from time to time, assign to the various committees and subcommittees of the Senate, in the interim, matters brought to its attention by any member of the Senate for

study and investigation. The standing committees and subcommittees may study and investigate all subjects that come within their usual jurisdiction, as provided by Minnesota Statutes, Section 3.921. A committee shall carry on its work by subcommittee or by committee action as the committee from time to time determines. Any study undertaken by any of the standing committees, or any subcommittee thereof, shall be coordinated to the greatest extent possible with other standing committees or subcommittees of the Senate and House of Representatives, and may, if the committee or subcommittee so determines, be carried on jointly with another committee or subcommittee of the Senate or House of Representatives.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise. The Subcommittee on Committees may appoint members of the Senate to assist in the work of any committee.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, appoint employees, and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Committee on Rules and Administration may authorize members of the Senate and personnel employed by the Senate to travel and to attend courses of instruction or conferences for the purpose of improving and making more efficient Senate operation and may reimburse these persons for the costs thereof out of monies appropriated to the Senate for the standing committees.

All members of activated standing committees or subcommittees of the Senate, and staff, shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties during the interim in the manner provided by law. Payment shall be made by the Secretary of the Senate out of monies appropriated to the Senate for the standing committees. The Committee on Rules and Administration shall determine the amount and manner of reimbursement for living and other expenses of each member of the Senate incurred in the performance of his duties when the Legislature is not in regular session.

The Secretary of the Senate shall continue to perform his duties during the interim. During the interim, but not including time which may be spent in any special session, the Secretary of the Senate shall be paid for services rendered the Senate at the rate established for that position for the 1992 regular session, unless otherwise directed by the Committee on Rules and Administration, plus travel and subsistence expense incurred incidental to his Senate duties, including salary and travel expense incurred in attending meetings of the American Society of Legislative Clerks and Secretaries and the National Conference of State Legislatures.

Should a vacancy occur in the position of Secretary of the Senate, by resignation or other causes, the Committee on Rules and Administration shall appoint an acting Secretary of the Senate who shall serve in such capacity during the remainder of the interim under the provisions herein specified.

The Secretary of the Senate is authorized to employ after the close of the session, the employees necessary to finish the business of the Senate at the salaries paid under the rules of the Senate for the 1992 regular session.

He is authorized to employ the necessary employees to prepare for the 1993 session at the salaries in effect at that time.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, Sections 3.095 and 43A.24, those Senate employees heretofore or hereafter certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long distance telephone calls and answering services upon proper verification of the expenses incurred, and for other expenses authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 77th Legislature. He may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after adjournment sine die.

The Secretary of the Senate may pay election and litigation costs up to a maximum of $125.00 per hour as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for the printing of the daily Senate journals, bills, general orders, special orders, calendars, resolutions, printing and binding of the permanent Senate Journal, shall secure bids and enter into contracts for remodeling, improvement and furnishing of Senate office space, conference rooms and the Senate Chamber and shall purchase all supplies, equipment and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of $5,000 shall be signed by the Chair of the Committee on Rules and Administration and another member designated by the Committee on Rules and Administration.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

All Senate records, including committee books, are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chair thereof.

The custodian of the Capitol shall continue to provide parking space through the Secretary of the Senate for members and staff of the Minnesota State Senate on Aurora Avenue and other areas as may be required during the interim. The Secretary of the Senate may deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of

the parking privilege herein defined in conformity with the practice of the department of Administration.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 147: A Senate resolution relating to notifying the House of Representatives the Senate is about to adjourn sine die.

BE IT RESOLVED, by the Senate of the State of Minnesota:

That the Secretary of the Senate shall notify the House of Representatives the Senate is about to adjourn sine die.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Messrs. Moe, R.D. and Benson, D.D. introduced —

Senate Resolution No. 148: A Senate resolution relating to notifying the Governor the Senate is about to adjourn sine die.

BE IT RESOLVED, by the Senate of the State of Minnesota:

That the Secretary of the Senate shall notify The Honorable Arne H. Carlson, Governor of the State of Minnesota, the Senate is ready to adjourn sine die.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1880: A bill for an act relating to workers' compensation; funding

various activities of the department of labor and industry; appropriating money.

Senate File No. 1880 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 16, 1992

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 1880 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1880 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to inform the Senate that the House of Representatives of the State of Minnesota is about to adjourn the 77th Session sine die.

Edward A. Burdick, Chief Clerk, House of Representatives

April 16, 1992

MEMBERS EXCUSED

Mr. Pogemiller was excused from the Session of today from 11:00 a.m. to 12:10 p.m. and from 2:00 to 3:00 p.m. Mr. Davis was excused from the Session of today from 11:00 a.m. to 12:00 noon. Mr. Hottinger was excused from the Session of today from 1:30 to 2:45 p.m. Mr. Neuville was excused from the Session of today from 11:00 a.m. to 12:30 p.m. Messrs. Price and Johnson, D.J. were excused from the Session of today from 5:30 to 6:00 p.m. Mrs. Brataas was excused from the Session of today from 11:00 a.m. to 5:30 p.m. Mr. Dahl was excused from the Session of today until 1:00

p.m. Mr. Chmielewski was excused from the Session of today from 2:15 to 2:45 p.m. Mr. Mondale was excused from the Session of today from 2:45 to 3:00 p.m. Ms. Berglin was excused from the Session of today from 5:00 to 6:00 p.m. Ms. Reichgott, Messrs. Riveness and Sams were excused from the Session of today from 5:30 to 6:30 p.m. Mr. Halberg was excused from the Session of today at 12:30 a.m.

ADJOURNMENT

Mr. Bernhagen moved that the Senate do now adjourn sine die. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate