

SIXTEENTH DAY

St. Paul, Minnesota, Monday, February 22, 1993

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

CALL OF THE SENATE

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

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

Adkins	Dille	Krentz	Morse	Robertson
Anderson	Finn	Kroening	Murphy	Runbeck
Beckman	Flynn	Laidig	Neuville	Sams
Belanger	Frederickson	Langseth	Novak	Samuelson
Benson, D.D.	Hanson	Larson	Oliver	Solon
Benson, J.E.	Hottinger	Lesewski	Olson	Spear
Berg	Janezich	Lessard	Pappas	Stevens
Berglin	Johnson, D.E.	Luther	Pariseau	Stumpf
Bertram	Johnson, D.J.	Marty	Piper	Terwilliger
Betzold	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Chandler	Johnston	Merriam	Price	Wiener
Chmielewski	Kelly	Metzen	Ranum	
Cohen	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Human Services, Minnesota Supplemental Aid Program, Annual Report, 1991; Public Employees Retirement Association, Comprehensive Annual Financial Report, 1992; Department of Health, Alternative Financing of the Public Water Supply Program, 1992; Department of Corrections, Electronic Monitoring to Protect Victims of Domestic Abuse, 1993; University of Minnesota, Annual Report, 1992; Southeastern Minnesota Regional Stars Advisory Committee, Southeast Stars Regional Telecommunications Development Pilot Project; Minnesota Sentencing Guidelines Commission, 1993; Department of Human Services, Medical Care Surcharge

Report, 1993; Department of Human Services, Minnesota Compulsive Gambling Treatment Program, 1993; Department of Human Services, Transition Year Family Access to Basic Sliding Fee Child Care Assistance, 1992; Department of Human Services, Regional Treatment Centers Chemical Dependency Treatment Network, 1993; Department of Human Services, Supplemental Security Income Conversion, 1993; Department of Human Services, Children's Trust Fund, Biennial Report, 1993; Department of Human Services, Status of the Child Support Enforcement System, 1993; Metropolitan Agencies, Personnel, Ethical Practices and Communication Activities, 1993; Metropolitan Agencies, Consolidated Financial Report, 1992; Office of the State Auditor, Revenues, Expenditures, and Debt of Minnesota Cities Over 2500 in Population, 1991; Office of the State Auditor, Revenues, Expenditures, and Debt of Minnesota Cities Under 2500 in Population, 1991; Department of Finance, Governor's Debt Capacity Forecast, 1993; Department of Transportation, Rail User Loan Guarantee Program, 1992; Metropolitan Council, Annual Report and Appendix, 1992; Department of Jobs and Training, Youth Employment and Housing Program, 1993; Department of Jobs and Training, Youth Employment and Training Programs, 1992; Department of Jobs and Training, Youth Wage Subsidy Program, 1993; Board of Optometry, Biennial Report, July 1, 1990 to June 30, 1992; Department of Public Safety, Alcohol and Other Drug Abuse Strategy, 1993; Minnesota-Wisconsin Boundary Area Commission, Corrected Copy, Biennial Report, 1991-92; Department of Human Services, Process to Increase the Collection of Child Support Arrearages and to Institute Cost Recovery in Child Support Enforcement, 1993; Board of Architecture, Engineering, Land Surveying Landscape Architecture, Biennial Report, July 1, 1990 to June 30, 1992; Minnesota Health Care Commission, Containing Costs in Minnesota's Health Care System, 1993; Department of Corrections, Biennial Report, 1991-92; Public Utilities Commission, Provision and Maintenance of the Minnesota Telecommunications Relay Service and the Equipment Distribution Program Provided by the Telecommunications Access for Communications-Impaired Persons (TACIP) Board, 1993; Department of Health, Maternal and Child Health Services Block Grant, 1993; Department of Administration, Energy Efficiency Program in State-Owned and Wholly State-Leased Buildings, 1993; Department of Administration, 1994-95 Information System Funding Recommendations; Department of Administration, Expansion of Minnesota's Bookstore, 1993; Minnesota Zoo, Face to Face, Annual Report, 1992; Department of Employee Relations, Local Government Pay Equity Compliance Report, 1993; Metropolitan Council, Regional Parks Operations and Maintenance Grants, 1993; Department of Human Services, Medical Transportation Provider Issues Regarding Coverage and Payment Through the Medical Assistance and General Assistance Medical Care Programs, 1993; Department of Trade and Economic Development, Tourism Information/Reservation Systems, 1993; State Board of Investment, External Money Manager Report; Lake Superior Center Authority, Annual Report, 1992; Metropolitan Council, Annual Contingency Assessment, Major Airport Strategy, 1992; Department of Human Services, School-Linked Services, 1993; Minnesota Cold Weather Resource Center, Annual Report, 1992; Board of Pardons, Annual Report, 1993; Department of Administration, Regulation of Health Maintenance Organizations, 1993; Department of Human Services, MinnesotaCare Wellness Component: A Method to Incorporate Wellness Factors into the MinnesotaCare Premium

Structure, 1993; Department of Corrections, Pilot Program, Testing the Effectiveness of Pharmacological Agents, 1993.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

February 18, 1993

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
	35	3	3:25 p.m. February 17	February 17

Sincerely,
Joan Anderson Growe
Secretary of State

REPORTS OF COMMITTEES

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

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

S.F. No. 149: A bill for an act relating to municipal contracting; contracting for planning services; requiring that contracts entered into by municipalities for planning services provide that the plans produced under the contracts become the property of the municipalities; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 23, after the period, insert "*Nothing in this subdivision prohibits a municipality from transferring its ownership rights subsequent to the completion of the contract.*"

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

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

S.F. No. 233: A bill for an act relating to local government; providing for

the publication of certain accounts and delinquent property tax information; amending Minnesota Statutes 1992, sections 279.09; 281.13; 281.23, subdivision 3; and 375.17.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1992, 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."

Page 4, line 32, strike "\$5,000" and insert "\$100"

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

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

S.F. No. 109: A bill for an act relating to financial institutions; state banks; regulating the acquisition of a bank or savings association for operation as a detached facility; amending Minnesota Statutes 1992, section 49.34, subdivision 2.

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

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

S.F. No. 238: A bill for an act relating to agriculture; changing the bases for certain milk payments; amending Minnesota Statutes 1992, section 32.25, subdivision 1.

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

Page 2, after line 6; insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon adoption of the upper midwest (68) federal milk marketing orders which would permit pricing by all purchasers on a basis other than weight and milk fat content."

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 112: A bill for an act relating to insurance; workers' compensation; regulating the state fund mutual insurance company; requiring the workers' compensation reinsurance association to provide funds; amending Minnesota Statutes 1992, sections 176A.02, by adding a subdivision; 176A.11; proposing coding for new law in Minnesota Statutes, chapter 79.

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

Page 2, line 11, delete "DIRECTOR" and insert "DIRECTORS"

Page 2, line 19, delete "directorship" and insert "directorships"

Page 3, delete line 25 and insert:

"Sections 1, 2, and 3, subdivisions 2 and 3, are repealed March 1, 2009."

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

Ms. Reichgott from the Committee on Judiciary, to which was re-referred

S.F. No. 44: A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

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

Page 1, line 23, after "or" insert "*benefits under*"

Page 2, line 8, after "(a)" insert "*It is the public policy of this state to enforce supplemental needs trusts as provided in this subdivision.*

(b)"

Page 2, line 15, delete "(b)" and insert "(c)"

Page 2, line 16, delete everything after "to"

Page 2, delete lines 17 to 36 and insert "*creation of the supplemental needs trust qualified as a disabled person or a person with a disability under the criteria used under Title II or Title XVI of the Social Security Act.*"

Page 3, line 1, delete "(c)" and insert "(d) *The general purpose of a supplemental needs trust must be to provide for the reasonable living expenses and other basic needs of a person with a disability when benefits from publicly-funded benefit programs are not sufficient to provide adequately for those needs.*"

Page 3, line 5, delete "must" and insert "may"

Page 3, line 7, delete "*general assistance medical*"

Page 3, line 8, delete "*care,*" and delete "*MinnesotaCare,*"

Page 3, line 9, before the period, insert "*for disabled persons*"

Page 3, delete lines 15 to 18

Page 3, line 19, delete "*enforcement.*" and insert:

"(e)"

Page 3, line 21, delete "*extended care*" and insert "*nursing*"

Page 3, line 30, delete "*extended care*" and insert "*nursing*" and after the period, insert:

"(f)"

Page 3, line 31, after "*assets*" insert "*of a supplemental needs trust*"

Page 3, line 36, delete "*general assistance*"

Page 4, delete line 1

Page 4, after line 5, insert:

"(g) *Nothing in this subdivision requires submission of a supplemental needs trust to a court for interpretation or enforcement.*"

Page 4, line 6, delete "(e) Paragraphs (a) to (d)" and insert "(h) Paragraphs (a) to (g)"

Page 4, line 7, after "*created*" insert "*, but the limitations and restrictions in paragraphs (c) to (g) apply only to trusts created after June 30, 1993*"

Page 4, line 8, after "DATE" insert "; APPLICATION"

Page 4, after line 9, insert:

"*Notwithstanding the provisions of section 1, subdivision 2, providing that a supplemental needs trust may not be funded by the beneficiary or a person obligated to pay the beneficiary under a settlement agreement or judgment, a supplemental needs trust may be established with the proceeds of payments made by the social security administration pursuant to the United States Supreme Court decision in Sullivan v. Zebley, 110 S.Ct. 885 (1990).*"

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

Ms. Reichgott from the Committee on Judiciary, to which was referred

S.F. No. 186: A bill for an act relating to marriage dissolution; requiring more information on the notice to a public authority; amending Minnesota Statutes 1992, section 518.551, subdivision 5.

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

Ms. Berglin from the Committee on Health Care, to which was referred

S.F. No. 282: A bill for an act relating to medical assistance; modifying

hospital reimbursement rates; amending Minnesota Statutes 1992, section 256.969, subdivisions 9, 20, and by adding subdivisions.

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

Page 2, line 30, delete "total of the" and delete "and property"

Page 2, line 31, delete "rates" and insert "rate"

Page 2, line 36, after "be" insert "determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian health service, and the result must be"

Page 3, line 20, delete "hospitals"

Page 3, delete lines 21 and 22

Page 3, line 23, delete "mean" and insert "admissions occurring between October 1, 1992, and December 31, 1992"

Page 3, line 24, delete "other"

Page 3, line 25, delete "9 or"

Page 6, line 7, delete "9 or"

Page 6, after line 9, insert:

"Sec. 6. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

Effective January 1, 1993, the commissioner of human services shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in section 5. The adjustment must be made on a nondiscounted hospital-specific basis."

Page 6, line 10, delete "6" and insert "7"

Page 6, line 11, delete "5" and insert "6"

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

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 176: A bill for an act relating to insurance; workers' compensation; regulating refunds made by the Workers' Compensation Reinsurance Association; amending Minnesota Statutes 1992, section 79.34, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [1992 WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION.]

Subdivision 1. [SCOPE.] This section governs any distribution of excess surplus made by the workers' compensation reinsurance association in 1992 other than distributions to self-insured members of the association.

Subd. 2. [STATE FUND MUTUAL INSURANCE COMPANY.] Any distribution of excess surplus of the workers' compensation reinsurance association received by the state fund mutual insurance company in 1992 must be returned to policyholders. Each policyholder shall receive a share of the company's distribution equal to the policyholder's proportionate share of the company's 1991 earned Minnesota workers' compensation insurance premium, as reported in its 1991 annual statement under Minnesota Statutes, section 60A.13, subdivision 8.

In no case shall the distribution exceed the policyholder's earned premium for 1991. If any portion of the refund remains after the distribution required under this subdivision has been made, a further distribution based upon 1990 earned premiums, or such additional years' earned premiums as necessary to fully distribute the refund, shall be made by applying the method of calculation set forth in this subdivision.

Subd. 3. [ASSIGNED RISK PLAN.] Any distribution of excess surplus of the workers' compensation reinsurance association in 1992 received by the assigned risk plan must be returned to policyholders. Each policyholder shall receive a share of the distribution equal to the policyholder's proportionate share of the assigned risk plan's 1991 earned Minnesota workers' compensation premium as reported in its 1991 annual statement under Minnesota Statutes, section 60A.13, subdivision 8.

In no case shall the distribution exceed the policyholder's earned premium for 1991. If any portion of the refund remains after the distribution required under this subdivision has been made, a further distribution based upon 1990 earned premiums, or such additional years' earned premiums as necessary to fully distribute the refund, shall be made by applying the method of calculation set forth in this subdivision.

Subd. 4. [INSURED EMPLOYERS.] Any distribution of excess surplus of the workers' compensation reinsurance association in 1992 received by insurers and not governed by subdivisions 2 and 3 must be returned to policyholders. Each policyholder shall receive a share of the distribution equal to the policyholder's proportionate share of its company's 1991 earned Minnesota workers' compensation premium, as reported in its 1991 annual statement under Minnesota Statutes, section 60A.13, subdivision 8.

In no case shall the distribution exceed the policyholder's earned premium for 1991. If any portion of the refund remains after the distribution required under this subdivision has been made, a further distribution based upon 1990 earned premiums, or such additional years' earned premiums as necessary to fully distribute the refund, shall be made by applying the method of calculation set forth in this subdivision.

Subd. 5. [PENALTY.] Except as provided in subdivision 6, any insurer which has not distributed its portion of the 1992 workers' compensation reinsurance association refund to its policyholders as of the effective date of this subdivision shall do so no later than 30 days after that date. It will be a violation of Minnesota Statutes, section 45.027, for each day each distribution remains unpaid thereafter.

Subd. 6. [UNCLAIMED REFUNDS.] If any part of the distribution remains one year after it is required to be distributed under subdivision 5 due to the inability to identify or locate policyholders, it shall be presumed abandoned and the insurer shall comply with Minnesota Statutes, sections 345.41 to 345.43.

Subd. 7. [ADMINISTRATION.] The commissioner of commerce may issue any order necessary to implement this section. The orders are not rules subject to chapter 14. The workers' compensation reinsurance association shall perform any duties ordered by the commissioner necessary to implement this section. The association shall not be reimbursed for the cost of performing any of those duties.

Sec. 2. [79.361] [POST 1992 DISTRIBUTION OF WORKERS' COMPENSATION REINSURANCE ASSOCIATION SURPLUS.]

Subdivision 1. [SCOPE.] This section governs the distribution of excess surplus of the workers' compensation reinsurance association made after January 1, 1993. No distribution of that excess surplus other than that provided by this section may be made.

Subd. 2. [SELF-INSURED.] A self-insurer shall receive a distribution of excess surplus in an amount equal to the self-insurer's share of the premiums paid to the workers' compensation reinsurance association for the period for which the refund is made.

Subd. 3. [INSURED EMPLOYERS.] A policyholder, other than a policyholder insured by the assigned risk plan or the state fund mutual insurance company, shall receive a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported in the most recent annual statements of insurers under section 60A.13, subdivision 8.

Subd. 4. [ASSIGNED RISK PLAN.] A policyholder of the assigned risk plan shall receive a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported in its most recent annual statement under section 60A.13, subdivision 8.

Subd. 5. [STATE FUND MUTUAL INSURANCE COMPANY.] A policyholder of the state fund mutual insurance company shall receive a share of the distribution equal to the policyholder's share of the annual total earned Minnesota workers' compensation insurance premium, as reported in its most recent annual statement under section 60A.13, subdivision 8.

Subd. 6. [POLICYHOLDER.] For the purpose of this section "policyholder" means a policyholder in the period covered by the most recent annual statement under section 60A.13, subdivision 8.

Subd. 7. [COMMISSIONER OF COMMERCE; DUTIES.] The commissioner of commerce shall administer the distributions governed by this section. The commissioner may order the workers' compensation reinsurance association and insurers to assist in administering the distribution. The association shall not be reimbursed for the assistance. The reinsurance association and insurers must comply with any order of the commissioner relating to the distribution. Insurers must provide the commissioner of commerce or the workers' compensation reinsurance association with information necessary to administer the distributions governed by this section.

Subd. 8. [PENALTY.] Failure to comply with an order of the commissioner under this section is a violation of section 45.027 for each day of noncompliance.

Subd. 9. [UNCLAIMED REFUND.] If any part of the refund remains one year after the due date of a distribution under this section due to the inability to identify or locate policyholders, it shall be presumed abandoned and the reinsurance association shall comply with sections 345.41 to 345.43.

Sec. 3. Minnesota Statutes 1992, section 79.34, is amended by adding a subdivision to read:

Subd. 2a. [DEFICIENCY.] If the board determines that a distribution of excess surplus resulted in inadequate funds being available to pay claims which arose during the period upon which that distribution was calculated, the board shall determine the amount of the deficiency and increase the premiums charged by the association by the amount necessary to make up any deficiency caused by the distribution. The increase to the premium shall not be required to result in the entire deficiency being recouped in one year, but may be spread over a period of time that will cause the least financial hardship to insureds. Insurer members shall pass these premium increases on to insureds.

Sec. 4. [79.362] [WORKERS' COMPENSATION REINSURANCE ASSOCIATION EXCESS SURPLUS DISTRIBUTION.]

An order of the commissioner of the department of labor and industry relating to the distribution of excess surplus of the workers' compensation reinsurance association shall be reviewed by the commissioner of commerce. The commissioner may amend, approve, or reject an order or issue further orders to accomplish the purposes of sections 1 to 3. The commissioner may not amend an order with respect to the total amount of a distribution. An order of the commissioner under this section is not a rule subject to chapter 14.

Sec. 5. [RESOLUTIONS AND ORDER NULLIFIED.]

Any resolution or plan of operation of the workers' compensation reinsurance association or order of the commissioner of labor and industry that purports to grant any claim to insurer members of the association to excess surplus and that conflicts with section 1 or 2 is nullified to the extent of the conflict.

Sec. 6. [79.363] [DISTRIBUTION OF EXCESS SURPLUS.]

The distribution of excess surplus of the workers' compensation reinsurance association is not a distribution of excess premiums to members.

Sec. 7. [DISTRIBUTION EARNINGS.]

For the purpose of section 1, the distribution to policyholders of excess surplus shall include any earnings on a surplus distribution during the period the distribution was in the possession of an insurer.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies retroactively to distributions of excess surplus by the workers' compensation reinsurance association made after January 1, 1992."

Delete the title and insert:

"A bill for an act relating to insurance; workers' compensation; regulating distributions of excess surplus made by the workers' compensation reinsurance association; clarifying the law regulating distributions of excess surplus; amending Minnesota Statutes 1992, section 79.34, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79."

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 103: A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include senior citizen activities under certain circumstances; clarifying and strengthening the regulation of the conduct of bingo; prescribing penalties; amending Minnesota Statutes 1992, sections 349.12, subdivisions 1, 4, 8, 11, 18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivision 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168, subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 6, and 8; 349.191, subdivisions 1 and 4; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2 and 4; and 349.213, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 240.13, subdivision 8, is amended to read:

Subd. 8. [PROHIBITED ACTS.] A licensee may not accept a bet or a *pari-mutuel ticket for payment* from any person under the age of 18 years; and a licensee may not accept a bet of less than \$1. *It is an affirmative defense to a charge under this subdivision for the licensee to prove by a preponderance of the evidence that the licensee, reasonably and in good faith, relied upon representation of proof of age described in section 340A.503, subdivision 6, in accepting the bet or pari-mutuel ticket for payment.*

Sec. 2. Minnesota Statutes 1992, section 240.25, is amended by adding a subdivision to read:

Subd. 8. [AGE UNDER 18.] *A person under the age of 18 may not place*

a bet or present a pari-mutuel ticket for payment with an approved pari-mutuel system.

Sec. 3. Minnesota Statutes 1992, section 240.26, subdivision 3, is amended to read:

Subd. 3. [MISDEMEANORS.] A violation of any other provision of Laws 1983, chapter 214 240 or of a rule or order of the commission for which another penalty is not provided is a misdemeanor.

Sec. 4. Minnesota Statutes 1992, section 299L.03, subdivision 1, is amended to read:

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under chapter 240, 299L, 349, or 349A, the employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.166;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A; or

(5) races are conducted by a person licensed under chapter 240; or

(6) gambling devices are manufactured or distributed, including places of storage, under section 299L.07.

Sec. 5. Minnesota Statutes 1992, section 299L.03, subdivision 2, is amended to read:

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting an audit or inspection authorized under chapter 240, 299L, 349 or 349A the director may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.

Sec. 6. Minnesota Statutes 1992, section 299L.07, is amended by adding a subdivision to read:

Subd. 11. [INSPECTION.] Employees of the division are authorized to conduct inspections of the regulated business premises licensed under this section.

Sec. 7. Minnesota Statutes 1992, section 349.12, subdivision 1, is amended to read:

Subdivision 1. As used in sections 349.11 to 349.22 349.23 the following terms in this section have the meanings given them.

Sec. 8. Minnesota Statutes 1992, section 349.12, subdivision 3a, is amended to read:

Subd. 3a. [ALLOWABLE EXPENSE.] "Allowable expense" means ~~an expense directly related to the conduct of lawful gambling~~ the percentage of the total cost incurred by the organization in the purchase of any good, service, or other item which corresponds to the proportion of the total actual use of the good, service, or other item that is directly related to conduct of lawful gambling. "Allowable expense" includes the advertising of the conduct of lawful gambling, provided that the amount expended does not exceed five percent of the annual gross profits of the premises or \$5,000 per year per premises, whichever is less. The board may adopt rules to regulate the content of the advertising to ensure that the content is consistent with the public welfare.

Sec. 9. Minnesota Statutes 1992, section 349.12, subdivision 4, is amended to read:

Subd. 4. "Bingo" means a game where each player has a *bingo hard card* or *board bingo paper sheet*, for which a consideration has been paid, containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. *Bingo also requires that the letters "B-I-N-G-O" appear in order over each column.* Bingo also includes games which are as described in this subdivision except for the use of *cards bingo paper sheets* where the figures are not preprinted but are filled in by the players. A player wins a game of bingo by completing a preannounced combination of spaces or, in the absence of a preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal or diagonal. A game of bingo begins with the first letter and number called. The player covers the numbers when bingo balls, similarly numbered, are randomly drawn, announced, and displayed to the players, either manually or by use of a flashboard. The game is won by the player covering a previously designated arrangement of numbers on the bingo hard card or bingo paper sheet and declaring bingo. The winning bingo hard card or bingo paper sheet is verified and a prize is awarded.

Sec. 10. Minnesota Statutes 1992, section 349.12, subdivision 8, is amended to read:

Subd. 8. "Checker" means a person who records the number of bingo *hard cards* purchased and played during each game and records the prizes awarded to the recorded *hard cards*, but does not collect the payment for the *hard cards*.

Sec. 11. Minnesota Statutes 1992, section 349.12, subdivision 11, is amended to read:

Subd. 11. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment for use within the state to licensed organizations, or to organizations conducting *excluded or exempt activities under section 349.166, or to other distributors.*

Sec. 12. Minnesota Statutes 1992, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: *bingo hard cards or paper sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, and paddletickets, paddleticket cards, tipboards, and tipboard tickets.*

Sec. 13. Minnesota Statutes 1992, section 349.12, subdivision 19, is amended to read:

Subd. 19. "Gambling manager" means a person who ~~has paid all dues to an organization~~ and has been a *an active* member of the organization for at least two years and has been designated by the organization to supervise lawful gambling conducted by it.

Sec. 14. Minnesota Statutes 1992, section 349.12, subdivision 21, is amended to read:

Subd. 21. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo *hard* cards and *paper* sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddletickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3, for ~~duly licensed bingo hall lessors~~.

Sec. 15. Minnesota Statutes 1992, section 349.12, subdivision 23, is amended to read:

Subd. 23. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 19 22, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 16. Minnesota Statutes 1992, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit

educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, *or social, recreational, community, and athletic facilities, and activities conducted by a nonprofit organization and intended for persons age 55 or over, which is not being conducted primarily for members of the contributing organization*, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, ~~and the tax taxes~~ imposed by section 349.212, subdivisions 1 ~~and~~, 4, ~~and~~ 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on ~~licensed~~ *permitted* gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; ~~or~~

(ii) *50 percent of the real estate taxes and assessments or \$15,000 per year, whichever is more*, for premises used for other forms of lawful gambling; ~~or~~

(iii) *100 percent of the real estate taxes and assessments for premises constructed, acquired, or expanded, if the construction, acquisition, or expansion was started before August 1, 1990;*

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization, *which is a church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;* ~~or~~

(12) payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9; ~~or~~

(13) *a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over*

that wildlife management project approves the project before the contribution or expenditure is made.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension fund.

Sec. 17. Minnesota Statutes 1992, section 349.12, subdivision 30, is amended to read:

Subd. 30. [PERSON.] "Person" is an individual, *organization*, firm, association, partnership, *limited liability company*, corporation, trustee, or legal representative.

Sec. 18. Minnesota Statutes 1992, section 349.12, subdivision 32, is amended to read:

Subd. 32. "Pull-tab" means a single folded or banded ticket or a multi-ply card with a *perforated break-open tabs*, the face of which is initially covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar.

Sec. 19. Minnesota Statutes 1992, section 349.12, subdivision 34, is amended to read:

Subd. 34. "Tipboard" means a board, placard or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances. ~~is a game played using tipboard tickets which are either attached to the placard and arranged in columns or rows or separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare and contains a seal that conceals the winning number or symbol. The tipboard tickets contain concealed numbers or symbols. When a tipboard ticket is purchased and opened, players having tipboard tickets with certain predesignated numbers or symbols shall sign the placard at the line indicated by the number or symbol on the tipboard ticket. When the predesignated numbers or symbols are all purchased or all of the tipboard tickets have been sold, the seal is removed to reveal a number or symbol indicating which of the predesignated numbers or symbols is the winning number or symbol. A tipboard may also contain consolation winners which do not need to be determined by the use of the seal. Cash or merchandise prizes may be awarded, but the prizes available must be stated on the flare.~~

Sec. 20. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 35. [TIPBOARD TICKET.] "Tipboard ticket" is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners.

Sec. 21. Minnesota Statutes 1992, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

(13) to register employees of organizations licensed to conduct lawful gambling;

(14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and

(15) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, *gambling manager*, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 22. Minnesota Statutes 1992, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules;

- (4) to issue licenses and premises permits as authorized by the board;
- (5) to issue cease and desist orders;
- (6) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes; and
- (7) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees; and
- (8) *to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.*

Sec. 23. Minnesota Statutes 1992, section 349.152, subdivision 3, is amended to read:

Subd. 3. [CEASE AND DESIST ORDERS.] Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any board rule:

(a) The director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter or board rule. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of 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 shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any board rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Sec. 24. Minnesota Statutes 1992, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, *limited liability company*, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the board may not participate in the conducting of lawful gambling accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, manufacturer, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the gambling control board for one year after the employee, director, or member has terminated employment with or left the gambling control board.

Sec. 25. Minnesota Statutes 1992, section 349.154, subdivision 2, is amended to read:

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25, paragraph (a).

(b) The board shall ~~provide~~ *make available* to the commissioners of revenue and public safety copies of ~~each report~~ *reports* received under this subdivision and requested by them.

Sec. 26. Minnesota Statutes 1992, section 349.16, subdivision 6, is amended to read:

Subd. 6. [FEES.] The board may issue four classes of organization licenses: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling except bingo; a class C license authorizing bingo ~~only and pull-tabs if the gross receipts for any combination of bingo and pull-tabs does not exceed \$50,000 per year~~; and a class D license authorizing raffles only. The board shall not charge a fee for an organization license.

Sec. 27. Minnesota Statutes 1992, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a license to ~~conduct lawful gambling premises permit or operate a bingo hall license~~. An investigation fee may not exceed the following limits:

(1) for cities of the first class, \$500;

(2) for cities of the second class, \$250;

(3) for all other cities, \$100; and

(4) for counties, \$375.

Sec. 28. Minnesota Statutes 1992, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state ~~for gambling purposes~~, other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for ~~lawful gambling use within the state~~ without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

Sec. 29. Minnesota Statutes 1992, section 349.161, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, *limited liability company*, or partnership which has as an officer, director, other person in a supervisory or management position, ~~or~~ employee eligible to make sales on behalf of the distributor, *or holder of any direct or indirect financial interest in it*, a person, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~

(7) after demand, has not filed tax returns required by the commissioner of revenue; *or*

(8) *has been determined to be a person whose prior activities, criminal record, if any, pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.*

Sec. 30. Minnesota Statutes 1992, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, or any representative, agent, affiliate, or employee of a distributor, may ~~be~~: (1) *be* involved in the conduct of lawful gambling by an

organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor or any representative, agent, affiliate, or employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor or any representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor or any representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment *for resale to a person for use within the state* from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person *for use in Minnesota* other than (i) a licensed organization or organization *excluded or* exempt from licensing, or (ii) the governing body of an Indian tribe.

Sec. 31. Minnesota Statutes 1992, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) A distributor may not sell, transfer, furnish, or otherwise provide to a person, ~~organization, or distributor,~~ and no person, ~~organization, or distributor~~ may purchase, borrow, accept, or acquire from a distributor gambling equipment *for use within the state* unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor *or manufacturer* is entitled to a refund for unused *registration* stamps and replacement for *registration* stamps which are defective or canceled by the distributor *or manufacturer*.

(b) ~~From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."~~

(c) ~~On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota For Sale in Minnesota Only."~~

(d) Paragraphs (b) and (c) do not apply to pull-tabs sold by a distributor to the governing body of an Indian tribe.

Sec. 32. Minnesota Statutes 1992, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person ~~or firm~~ from whom the distributor purchased the equipment;
- (2) the registration number of the equipment;
- (3) the name, address, and license or exempt permit number of the organization to which the sale was made;
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment;
- (6) the name of the person who received the equipment;
- (7) the type of equipment;
- (8) the serial number of the equipment;
- (9) the name, form number, or other identifying information for each game; and
- (10) in the case of bingo *hard cards or paper sheets* sold on and after January 1, 1991, the individual number of each card *or sheet*.

The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the board and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Sec. 33. Minnesota Statutes 1992, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor *or licensed manufacturer* may possess unaffixed registration stamps.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been stamped and registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo *hard card or paper sheet* that does not bear an individual number; or

(2) sell a package of bingo ~~cards~~ *paper sheets* that does not contain bingo ~~cards~~ *paper sheets* in numerical order.

Sec. 34. Minnesota Statutes 1992, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to *any person for use in Minnesota* must, prior to the equipment's resale, be unloaded into a ~~sales or~~ storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a ~~sales or~~ storage facility of the ~~distributor's distributor~~. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a ~~sales or~~ storage facility which has been registered with the division of gambling enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board.

(b) *Notwithstanding section 349.163, subdivision 5, paragraphs (b) and (c), a licensed manufacturer may ship into Minnesota gambling equipment that does not have a Minnesota gambling stamp affixed if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the division of gambling enforcement as a manufacturer's storage facility. No unregistered gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the department of revenue in a manner prescribed by the department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the department of revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule.*

(c) All ~~sales and~~ storage facilities owned, leased, used, or operated by a licensed distributor ~~or manufacturer~~ may be entered upon and inspected by the employees of the division of gambling enforcement ~~or, the division of gambling enforcement director's authorized representatives, employees of the gambling control board or its authorized representatives, employees of the department of revenue, or authorized representatives of the director of the division of special taxes of the department of revenue~~ during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a ~~manufacturer's or distributor's~~ licenses and permits issued under this chapter.

(e) (d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than *the manufacturing plant of a licensed manufacturer or a registered sales or storage facility* are contraband under section 349.2125. This paragraph does not apply to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document.

Sec. 35. Minnesota Statutes 1992, section 349.163, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person *for use or resale within the state*, unless the manufacturer has a current and valid license issued

by the board under this section and other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.

Sec. 36. Minnesota Statutes 1992, section 349.163, subdivision 1a, is amended to read:

Subd. 1a. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, *limited liability company*, or partnership that has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the ~~distributor~~ *manufacturer, or holder of any direct or indirect financial interest in it*, a person, who:

- (1) has ever been convicted of a felony;
- (2) has ever been convicted of a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) is or has ever been engaged in an illegal business;
- (5) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~
- (7) after demand, has not filed tax returns required by the commissioner of revenue; ~~or~~
- (8) *has been determined to be a person whose prior activities, criminal record, if any, pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.*

Sec. 37. Minnesota Statutes 1992, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

- (1) sell gambling equipment *for use or resale within the state* to any person not licensed as a distributor unless the manufacturer is also a licensed distributor; *or*
- (2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use *or resale* in this state;
- (3) *from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";*

(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale In Minnesota Only"; or

(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor.

(b) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.

(c) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

Sec. 38. Minnesota Statutes 1992, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers—This pull-tab (or tipboard) game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code that provides:

(1) the name of the game;

(2) the serial number of the game;

(3) the name of the manufacturer;

(4) the number of tickets in the deal;

(5) the odds of winning each prize in the deal; and

(6) other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Sec. 39. Minnesota Statutes 1992, section 349.163, subdivision 6, is amended to read:

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for sale use or resale in this state. The board shall inspect and test all the equipment it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board may request the assistance of the commissioner of public safety and the director of the state lottery board in performing the tests.

Sec. 40. Minnesota Statutes 1992, section 349.164, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one individual, corporation, partnership, or organization to conduct bingo without a current and valid bingo hall license under this section.

Sec. 41. Minnesota Statutes 1992, section 349.164, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, organization, corporation, firm, or partnership that who is not the legal owner of the facility, or to a person, or to an organization, corporation, firm, limited liability company, or partnership which has as an officer, director, or other person in a supervisory or management position, or holder of any direct or indirect financial interest in it, a person, who:

- (1) has ever been convicted of a felony;
- (2) has ever been convicted of a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) is or has ever been engaged in an illegal business;
- (5) owes delinquent taxes in excess of \$500 as defined in section 270.72; or
- (5) (6) after demand, has not filed tax returns required by the commissioner of revenue; or
- (7) has been determined to be a person whose prior activities, criminal record, if any, pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling

or the carrying on of the business and financial arrangements incidental to the business.

Sec. 42. Minnesota Statutes 1992, section 349.164, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED ACTS.] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or affiliate thereof may:

(1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

(2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling on the premises;

(3) acquire, provide storage or inventory control for, or report the use of any gambling equipment used by an organization that conducts lawful gambling on the premises;

(4) provide accounting services to an organization conducting lawful gambling on the premises;

(5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling;

(6) charge any fee to a person without which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; or

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Sec. 43. Minnesota Statutes 1992, section 349.1641, is amended to read:

349.1641 [LICENSES; SUMMARY SUSPENSION.]

The board may (1) summarily suspend the license of an organization that is more than three months late in filing a tax return *or in paying a tax* required under this chapter and may keep the suspension in effect until all required returns are filed *and required taxes are paid*; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota. The board must notify the licensee at least 14 days before suspending the license under this ~~paragraph~~ *section*. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended ~~or revoked~~ under this *subdivision section*, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 44. Minnesota Statutes 1992, section 349.166, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.168, *subdivisions 1 and 2*; 349.17, ~~subdivision~~ *subdivisions 1, 4, and 5*; 349.18, *subdivision 1*; and 349.19, if it is conducted:

(1) *by an organization in connection with a county fair, the state fair, or a civic celebration if it and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or*

(2) *by an organization that conducts four or fewer bingo occasions in a calendar year.*

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.15 and 349.153 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without complying with sections 349.11 to 349.13 and 349.151 to 349.213 349.168, *subdivisions 1 and 2*; 349.18, *subdivision 1*; and 349.19, if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(d) *The organization must maintain all required records of excluded gambling activity for 3-1/2 years.*

Sec. 45. Minnesota Statutes 1992, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization as defined in section 349.12, ~~subdivision 28~~, without complying with sections 349.151 to 349.16; 349.167; 349.168, *subdivisions 1 and 2*; 349.17, *subdivisions 4 and 5*; 349.18, *subdivision 1*; and 349.19; and 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of \$25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the

lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this ~~paragraph~~ subdivision if a report is later filed and the penalty paid.

(c) Merchandise prizes must be valued at their fair market value.

(d) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(e) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 349.212, subdivision 4, paragraph (c), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

(f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 46. Minnesota Statutes 1992, section 349.166, subdivision 3, is amended to read:

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] Sections 349.21-349.168, subdivisions 3 and 4; and 349.211, subdivision 3, and the membership requirements of ~~sections 349.14 and 349.20~~ section 349.16, subdivision 2, paragraph (c), do not apply to raffles conducted by an organization that directly or under contract to the state or a political subdivision delivers health or social services and that is a 501(c)(3) organization if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Sec. 47. Minnesota Statutes 1992, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that

notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. ~~The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.~~

(d) An organization may not have more than one gambling manager at any time.

Sec. 48. Minnesota Statutes 1992, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must receive training before being issued a new license, except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;

(2) each gambling manager applying for a renewal of a license must have received *continuing education* training, *as required by board rule*, within the ~~three years~~ 12 months prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, ~~firm, association, or organization~~ authorized by the board to provide the training. Before authorizing a person, ~~firm, association, or organization~~ to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the board.

Sec. 49. Minnesota Statutes 1992, section 349.168, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the

conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tipboards, raffle tickets, ~~paddlewheel tickets~~ *paddletickets*, and bingo ~~hard cards or paper sheets~~; (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization. The board may by rule allow other persons not active members of the organization to receive compensation.

Sec. 50. Minnesota Statutes 1992, section 349.168, subdivision 6, is amended to read:

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the ~~employee~~ *person being compensated*.

Sec. 51. Minnesota Statutes 1992, section 349.169, subdivision 1, is amended to read:

Subdivision 1. [FILING REQUIRED.] All manufacturers and distributors must file with the director, not later than the first day of each month, the prices at which the manufacturer or distributor will sell all gambling equipment in that month. The filing must be on a form the director prescribes. Prices filed must include all charges the manufacturer or distributor makes for each item of gambling equipment sold, including all volume discounts, exclusive of transportation costs. All filings are effective on the first day of the month for which they are filed, except that a manufacturer or distributor may amend a filed price within five days of filing it *and may file a price any time during a month for gambling equipment not previously included on that month's filed pricing report, but may not later amend the price during the month.*

Sec. 52. Minnesota Statutes 1992, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ON LEASED PREMISES.] During any bingo occasion conducted by an organization, the organization is directly responsible for the:

- (1) staffing of the bingo occasion;
- (2) conducting of lawful gambling during the bingo occasion;
- (3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization;
- (4) receipt, accounting, and all expenditures of gross receipts from lawful gambling; and
- (5) preparation of the bingo packets.

Sec. 53. Minnesota Statutes 1992, section 349.17, subdivision 4, is amended to read:

Subd. 4. [CHECKERS.] One or more checkers must be engaged for each bingo occasion *when bingo is conducted using bingo hard cards*. The checker or checkers must record, on a form the board provides, the number of *hard cards* played in each game and the prizes awarded to recorded *hard cards*. The form must provide for the inclusion of the ~~registration~~ *face* number of each

winning hard card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Sec. 54. Minnesota Statutes 1992, section 349.17, subdivision 5, is amended to read:

Subd. 5. [CONDUCT OF BINGO CARD NUMBERING.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on cards bingo paper sheets that bear an individual number recorded by the distributor; and (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card paper sheet for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) do not shall only apply to a licensed organization that has never received gross receipts from bingo in excess of \$150,000 in any the organization's last fiscal year.

Sec. 55. Minnesota Statutes 1992, section 349.17, is amended by adding a subdivision to read:

Subd. 6. [BREAK-OPEN BINGO.] "Break-open bingo" is a form of bingo which has the following features:

(1) the organization calls and posts, either by hand or by use of a flashboard, a predetermined quantity of bingo balls (for example - 50 numbers) before the actual playing of the game;

(2) only sealed bingo paper may be sold for the bingo game;

(3) sealed bingo paper may be sold throughout the bingo occasion, however no additional sealed bingo paper may be sold after the organization calls the next continuous number, for example, the 51st number, during the actual play of the game;

(4) no player wins until all the numbers for the designated game pattern on the player's bingo paper have been called and the player declares bingo;

(5) if a player declares bingo before the next continuous number, for example, the 51st number, is called and the bingo is verified, the player must be awarded the designated prize. During the actual play of the game, the organization shall call the next continuous number, if necessary, for example, the 51st number, and continue calling numbers until a player declares bingo and is awarded a prize; and

(6) this game must be played from start to finish within the same bingo occasion.

Sec. 56. Minnesota Statutes 1992, section 349.174, is amended to read:

349.174 [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs and or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number that allows it to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs and or tipboards the organization received before

September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 57. Minnesota Statutes 1992, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases ~~must be for a period of at least one year and must be on a form prescribed by the board. The term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires.~~ Copies of all leases must be made available to employees of the board and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling provided that no rule of the board may prescribe a limit of less than \$1,000 per month on rent paid for premises used for lawful gambling other than bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 58. Minnesota Statutes 1992, section 349.18, subdivision 1a, is amended to read:

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of an organization must be kept at a ~~licensed gambling permitted~~ premises owned or ~~operated~~ leased by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or ~~licensed permitted~~ premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. Gambling equipment owned by an organization may not be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers.

(c) Paddlewheels must be covered or disabled when not in use by the organization in the conduct of lawful gambling.

(d) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(e) An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Sec. 59. Minnesota Statutes 1992, section 349.18, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) An organization may conduct raffles on a premise it does not own or lease.

(b) An organization may, with the permission of the board, conduct bingo on premises it does not own or lease for up to 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's licensed ~~premise~~ *permitted premises* for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Sec. 60. Minnesota Statutes 1992, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from the separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within three *business* days of completion of the bingo occasion, deal, or game from which they are received. Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 61. Minnesota Statutes 1992, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a *class C licensee* or licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Sec. 62. Minnesota Statutes 1992, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved by a licensed organization for at least 3-1/2 years and may be inspected by the commissioner of revenue, the ~~commissioner of gaming board~~, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Sec. 63. Minnesota Statutes 1992, section 349.19, subdivision 8, is amended to read:

Subd. 8. [TERMINATION PLAN.] Upon termination of a license for any reason, a licensed organization must notify the board in writing within 45 30 calendar days of the license termination date of its plan for disposal of ~~registered~~ gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board *as provided in board rule*. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

Sec. 64. Minnesota Statutes 1992, section 349.19, subdivision 9, is amended to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] (a) An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent accountant licensed by the state of Minnesota. The commissioner of revenue shall prescribe standards for the audit. *The standards for the audit that the commissioner prescribes may vary based on the gross receipts of the organization.* A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner of revenue.

(b) *Organizations with gross receipts of \$50,000 or less are exempt from the annual financial audit requirement in paragraph (a).*

Sec. 65. Minnesota Statutes 1992, section 349.191, subdivision 1, is amended to read:

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not *offer or* extend to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 66. Minnesota Statutes 1992, section 349.191, is amended by adding a subdivision to read:

Subd. 1a. [NOTIFICATION; CASH SALES.] (a) *If a distributor does not receive payment in full from an organization within 30 days of the delivery of gambling equipment, the distributor shall notify the board in writing of the delinquency. Upon receipt of the notice of delinquency, the board shall notify all distributors that until further notice from the board, all sales of gambling equipment to the delinquent organization shall be on a cash only basis. Upon receipt of the notice from the board, no distributor may extend credit to the delinquent organization until such time as the board approves credit sales.*

(b) If a manufacturer does not receive payment in full from a distributor within 30 days of the delivery of gambling equipment, the manufacturer shall notify the board in writing of the delinquency. Upon receipt of the notice of delinquency, the board shall notify all manufacturers that until further notice from the board, all sales of gambling equipment to the delinquent distributor shall be on a cash only basis. Upon receipt of the notice from the board, no manufacturer may extend credit to the delinquent distributor until such time as the board approves credit sales.

Sec. 67. Minnesota Statutes 1992, section 349.191, subdivision 4, is amended to read:

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this ~~subdivision~~ ~~section~~, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment.

Sec. 68. Minnesota Statutes 1992, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Prizes for a single bingo game may not exceed \$100 except prizes for a game played with a cumulative prize and prizes for a cover-all game; which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$500. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,000. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 69. Minnesota Statutes 1992, section 349.211, subdivision 2, is amended to read:

Subd. 2. [BINGO CUMULATIVE PRIZES.] A prize of up to \$1,000 may be awarded for a single bingo game if the prize is an accumulation of prizes not won in for the same single games in previous bingo occasions. A cumulative prize shall not be awarded for a cover-all game. For bingo games played with a cumulative prize, the licensed organization may award both a consolation prize of up to \$100 and may add up to \$100 to the cumulative prize amount for the next bingo occasion. The total amount awarded in cumulative prizes in any calendar year may not exceed ~~\$12,000~~ \$36,000. For bingo occasions in which a cumulative prize is awarded the aggregate value of prizes which may be awarded for the occasion is increased by the amount of the cumulative prize so awarded less \$100.

Sec. 70. Minnesota Statutes 1992, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER OF REVENUE; PENALTY.]

A manufacturer licensed by the board who sells pull-tabs and or tipboards to a licensed distributor must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to any person for use or resale in the state, including the established governing body of an Indian ~~tribes~~ tribe recognized by the United States Department of the Interior. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. The commissioner may require that the report be submitted via magnetic media or electronic data transfer. The commissioner of revenue may inspect the books, records, and inventory of a licensed manufacturer without notice during the normal

business hours of the manufacturer. Any person violating this section shall be guilty of a misdemeanor.

Sec. 71. Minnesota Statutes 1992, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in ~~section~~ *sections 349.162 and 349.163*;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, ~~or from one distributor to another~~ *between locations outside this state*, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18; ~~and~~

(11) any gambling equipment not in conformity with law or board rule;

(12) *any pull-tab or tipboard deals or portions of deals on which the tax imposed under section 349.212 has not been paid*;

(13) *any gambling equipment that has not been approved by the board pursuant to section 349.163, subdivision 6; and*

(14) *any gambling equipment in the possession of a person other than a licensed distributor, a licensed manufacturer, or an organization licensed or exempt or excluded from licensing under this chapter, except for devices for selecting bingo numbers kept by a bingo hall lessor pursuant to section 349.17, subdivision 2a.*

Sec. 72. Minnesota Statutes 1992, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of any alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the a tax imposed by section 349.2121, subdivision 4 349.212, the seizing authority shall release the property seized without further legal proceedings.

Sec. 73. Minnesota Statutes 1992, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) A person, ~~other than a licensed distributor~~, is guilty of a crime who sells, offers for sale, or possesses a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(b) A person, other than a *licensed manufacturer*, a licensed distributor, or an organization licensed or exempt or excluded from licensing under this chapter, is guilty of a crime who sells, offers to sell, or possesses gambling equipment. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(c) A person, ~~firm, or organization~~ is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, or tipboard tickets, or possesses altered, modified, or counterfeit pull-tabs, tipboards, or tipboard tickets. A violation of this paragraph is a gross misdemeanor if the total face value for all such pull-tabs, tipboards, or tipboard tickets does not exceed \$200. A violation of this paragraph is a felony if the total face value exceeds \$200. For purposes

of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

Sec. 74. Minnesota Statutes 1992, section 349.2127, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] A person is guilty of a gross misdemeanor who transports into, ~~or causes to be transported into~~, receives, carries, ~~or moves from place to place, or causes to be moved from place to place~~ in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter except in the course of interstate commerce between locations outside this state. A person is guilty of a felony who violates this subdivision with respect to more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

Sec. 75. Minnesota Statutes 1992, section 349.2127, is amended by adding a subdivision to read:

Subd. 8. [AGE UNDER 18.] (a) A person under the age of 18 may not purchase or redeem for a prize a pull-tab, tipboard ticket, paddleticket, bingo hard card or paper sheet, or ticket for entry in a raffle, unless the purchase price of the ticket for entry in the raffle is \$1 or less; for games conducted under chapter 349.

(b) No person may sell, furnish, barter, or give to a person under the age of 18 or redeem from such person for a prize a pull-tab, tipboard ticket, paddleticket, bingo hard card or paper sheet, or ticket for entry in a raffle, unless the purchase price of the ticket for entry in the raffle is \$1 or less, in a game conducted under chapter 349.

(c) It is an affirmative defense, to a charge under paragraph (b) for the person to prove by a preponderance of the evidence that the person, reasonably and in good faith, relied upon representation of proof of age described in section 340A.503, subdivision 6, in providing the person under the age of 18 the chance to participate.

Sec. 76. Minnesota Statutes 1992, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4 8, or 349.212; provided, however, that an ordinance require-

ment that such organizations must contribute ten percent of their net profits derived from lawful gambling *conducted at premises within the city's or county's jurisdiction* to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance *must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction*, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Sec. 77. Minnesota Statutes 1992, section 349A.03, subdivision 2, is amended to read:

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director;
- (3) review and comment on lottery procurement contracts;
- (4) review and comment on agreements between the director and one or more other lotteries relating to a joint lottery; *and*
- (5) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 349A.09; *and*
- (6) ~~to approve additional compensation for the director under subdivision 3.~~

Sec. 78. Minnesota Statutes 1992, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy *or redeem for a prize* a ticket in the state lottery.

Sec. 79. Minnesota Statutes 1992, section 349A.12, subdivision 2, is amended to read:

Subd. 2. [SALE TO MINORS.] A lottery retailer *or other person* may not sell, furnish, *or redeem for a prize* a ticket in the state lottery to any person under the age of 18 years. It is an affirmative defense to a charge under this subdivision for the lottery retailer to prove by a preponderance of the evidence that the lottery retailer reasonably and in good faith relied upon representation

of proof of age described in section 340A.503, subdivision 6, in making the sale or furnishing or redeeming the ticket.

Sec. 80. Minnesota Statutes 1992, section 349A.12, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS.] A violation of subdivision 1 is a petty misdemeanor. A violation of subdivision 1 or 2 or a rule adopted by the director is a misdemeanor. A violation of subdivision 3 or 4 is a gross misdemeanor.

Sec. 81. [471.6151] [CONTRIBUTIONS FROM LAWFUL GAMBLING ORGANIZATIONS.]

Contributions of receipts derived from lawful gambling to a statutory or home rule charter city, county, or town made by an organization licensed to conduct lawful gambling under chapter 349 may not be used for the benefit of a pension or retirement fund.

Sec. 82. [609.756] [GAMBLING PROHIBITED BY PERSONS UNDER 18.]

A person under the age of 18 who does any of the following is guilty of a misdemeanor:

(1) places a pari-mutuel bet or presents a pari-mutuel ticket for payment for horse racing conducted under chapter 240;

(2) purchases or redeems for a prize a state lottery ticket under chapter 349A;

(3) purchases or redeems for a prize a pull-tab, tipboard ticket, paddleticket, bingo hard card or paper sheet, or ticket for entry in a raffle, unless the purchase price of the ticket for entry in the raffle is \$1 or less, for games conducted under chapter 349;

(4) makes a private social bet; or

(5) purchases a chance to win anything of value in any other form of gambling.

Sec. 83. [REPEALER.]

(a) Minnesota Statutes 1992, section 349A.03, subdivision 3, is repealed.

(b) Minnesota Statutes 1992, section 349A.12, subdivision 5, is repealed.

Sec. 84. [EFFECT.]

Sections 77 and 83, paragraph (a), may not be construed to reduce the rate of compensation paid the director of the state lottery as of the effective date of this act.

Sec. 85. [EFFECTIVE DATE.]

Sections 77; 83, paragraph (a); and 84 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for

violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include certain senior citizen activities, certain real estate taxes and assessments, and wildlife management projects; prohibiting the use of lawful purpose contributions by local governmental units in pension or retirement funds; exempting organizations with gross receipts of \$50,000 or less from the annual audit; expanding the definition of a class C license; making class C licensee reporting requirements quarterly; modifying the definition of allowable expense to include some advertising costs; eliminating additional compensation for the state lottery director; clarifying and strengthening the regulation of the conduct of bingo; prohibiting all gambling by persons under 18 except for certain raffles; modifying the definition of net profits for local assessments; prescribing penalties; amending Minnesota Statutes 1992, sections 240.13, subdivision 8; 240.25, by adding a subdivision; 240.26, subdivision 3; 299L.03, subdivisions 1 and 2; 299L.07, by adding a subdivision; 349.12, subdivisions 1, 3a, 4, 8, 11, 18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivisions 6 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168; subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 5, 6, 8, and 9; 349.191, subdivisions 1, 4, and by adding a subdivision; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and by adding a subdivision; 349.213, subdivision 1; 349A.03, subdivision 2; and 349A.12, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapters 471; and 609; repealing Minnesota Statutes 1992, sections 349A.03, subdivision 3; and 349A.12, subdivision 5."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 149, 233, 109, 238, 44 and 186 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Berg moved that the name of Mr. Dille be added as a co-author to S.F. No. 82. The motion prevailed.

Ms. Berglin moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 377. The motion prevailed.

Mr. Knutson moved that his name be stricken as chief author, shown as a co-author and the name of Mrs. Benson, J.E. be added as chief author to S.F. No. 398. The motion prevailed.

Mr. Janezich moved that S.F. No. 233, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

CONSENT CALENDAR

S.F. No. 216: A bill for an act relating to domestic abuse; clarifying requirements for law enforcement domestic abuse arrest policies; amending Minnesota Statutes 1992, section 629.342, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Murphy	Runbeck
Anderson	Flynn	Laidig	Neuville	Sams
Beckman	Frederickson	Langseth	Novak	Samuelson
Belanger	Hanson	Larson	Oliver	Solon
Benson, D.D.	Hottinger	Lesewski	Olson	Spear
Benson, J.E.	Janezich	Lessard	Pappas	Stevens
Berg	Johnson, D.E.	Luther	Pariseau	Stumpf
Berglin	Johnson, D.J.	Marty	Piper	Terwilliger
Bertram	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Betzold	Johnston	Merriam	Price	Wiener
Chandler	Kelly	Metzen	Ranum	
Chmielewski	Kiscaden	Moe, R.D.	Reichgott	
Day	Knutson	Mondale	Riveness	
Dille	Krentz	Morse	Robertson	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Spear in the chair.

After some time spent therein, the committee arose, and Mr. Spear reported that the committee had considered the following:

S.F. Nos. 12 and 119, which the committee recommends to pass.

H.F. No. 1, which the committee recommends to pass with the following amendments offered by Mr. Luther:

Mr. Luther moved to amend H.F. No. 1 as follows:

Page 1, line 12, delete "*follows*" and insert "*provided in this section*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 1 as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 3.30, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; DUTIES.] The majority leader of the senate or a designee, the chair of the senate committee on finance, and the chair of the senate division of finance responsible for overseeing the items being considered by the commission, the speaker of the house of representatives or a designee, the chair of the house committee on ~~appropriations~~ *ways and means*, and the chair of the *finance* division of the house ~~appropriations~~ committee responsible for overseeing the items being considered by the

commissioner constitute the legislative advisory commission. The division chair of the finance committee in the senate and the division chair of the ~~appropriations committee~~ *finance division* in the house shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house rules committee, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of finance shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item, except that a recommendation under section 298.2213, subdivision 4, or 298.296, subdivision 1, need only be signed by a majority of the members entitled to vote on the item.

Sec. 3. Minnesota Statutes 1992, section 3.855, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The legislative commission on employee relations is created. The commission consists of six members of the senate and six members of the house of representatives. The senate members shall be the leader of the majority caucus of the senate, the leader of the minority caucus of the senate, the chair of the governmental operations *and reform* committee, the chair of the finance committee, the chair of the committee on taxes and tax laws, and an additional member designated by the leader of the minority caucus. The house members shall be the speaker, the leader of the minority caucus of the house, the chair of the governmental operations *and gaming* committee, the chair of the ~~appropriations~~ *ways and means* committee, the chair of the taxes committee, and an additional member designated by the leader of the minority caucus. If the membership of the house is evenly divided, the house members shall be selected under the rules of the house. A member of the commission may resign by providing notice to the chair. Upon resignation by a member of the:

(1) senate, a replacement shall be selected from among the members of the senate by the committee on rules;

(2) house, a replacement shall be selected from among the members of the house under house rules.

The commission shall elect officers for terms of two years. The chair of the commission shall alternate between a member of the senate and a member of the house.

Sec. 4. Minnesota Statutes 1992, section 3.873, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP AND TERMS.] The commission consists of 16 members that reflect a proportionate representation from each party. Eight members from the house shall be appointed by the speaker of the house and eight members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The membership must include members of the following committees in the house and the senate: health and human services, *family services, health care*, governmental operations and gaming, *governmental operations and reform*, education, judiciary, and ~~appropriations~~ *ways and means* or finance. The commission must have representatives from both rural and metropolitan areas. The terms of the members are for two years beginning on January 1 of each odd-numbered year.

Sec. 5. Minnesota Statutes 1992, section 3.97, subdivision 2, is amended to read:

Subd. 2. The legislative audit commission is created. The commission consists of:

(1) the majority leader of the senate and the president of the senate or their designees;

(2) the chair of the senate committee on taxes or a designee who is a member of the committee;

(3) the chair of the senate committee on governmental operations and reform or a designee who is a member of the committee;

(4) the chair of the senate committee on finance or a designee who is a member of the committee;

(5) three members of the senate appointed by the senate minority leader;

(6) the speaker of the house and the chair of the house committee on rules or their designees;

(7) the chair of the house committee on taxes or a designee who is a member of the committee;

(8) the chair of the house committee on governmental operations and gaming or a designee who is a member of the committee;

(9) the chair of the house ~~appropriations~~ *ways and means* committee or a designee who is a member of the committee; and

(10) three members of the house appointed by the house minority leader.

The appointed members of the commission shall serve for a term commencing upon appointment and expiring at the opening of the next regular session of the legislature in the odd-numbered year and until a successor is appointed. A vacancy in the membership of the commission shall be filled for the unexpired term in a manner that will preserve the representation established by this subdivision.

The commission shall elect its chair and other officers as it may determine necessary. It shall meet at the call of the chair or the executive secretary. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

Sec. 6. Minnesota Statutes 1992, section 3.98, subdivision 1, is amended to read:

Subdivision 1. The head or chief administrative officer of each department or agency of the state government, including the supreme court, shall prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house ~~appropriations~~ *ways and means* committee, or the chair of the senate committee on finance.

For purposes of this subdivision, "supreme court" includes all agencies, committees, and commissions supervised or appointed by the state supreme court or the state court administrator.

Sec. 7. Minnesota Statutes 1992, section 11A.041, is amended to read:

11A.041 [REPORT ON POSTRETIREMENT INVESTMENT FUND INVESTMENT PERFORMANCE AND ADJUSTMENT CALCULATION.]

The state board of investment shall annually report to the legislative commission on pensions and retirement, the house of representatives governmental operations *and gaming* committee, and the senate governmental operations *and reform* committee on the investment performance investment activities, and postretirement adjustment calculations of the Minnesota postretirement investment fund established under section 11A.18. The annual report must be filed before January 1. The contents of the report must include the reporting requirements specified by the legislative commission on pensions and retirement as part of the standards adopted by the commission under section 3.85, subdivision 10. The report also may include any additional information that the state board of investment determines is appropriate.

Sec. 8. Minnesota Statutes 1992, section 15.161, is amended to read:

15.161 [ACCEPTANCE OF FEDERAL LANDS OR BUILDINGS; CONSULTATION WITH LEGISLATIVE COMMITTEES.]

The head of a state department or agency shall consult with the chair of the house ~~appropriations~~ *ways and means* committee and the chair of the senate finance committee before accepting any federal land or buildings thereon or any interest therein which is declared surplus by federal authorities and obtaining a recommendation thereon which shall be advisory only. Failure to obtain a recommendation thereon promptly shall be deemed a negative recommendation.

Sec. 9. Minnesota Statutes 1992, section 16A.128, subdivision 2a, is amended to read:

Subd. 2a. [PROCEDURE.] Other fees not fixed by law must be fixed by rule according to chapter 14. Before an agency submits notice to the State Register of intent to adopt rules that establish or adjust fees, the agency must send a copy of the notice and the proposed rules to the chairs of the house ~~appropriations~~ *ways and means* committee and senate finance committee.

Sec. 10. Minnesota Statutes 1992, section 16A.69, subdivision 2, is amended to read:

Subd. 2. [TRANSFER BETWEEN ACCOUNTS.] Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency

to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of technical colleges, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall report to the chair of the senate finance committee and the chair of the house ~~appropriations~~ *ways and means* committee before the transfer is made under this subdivision.

Sec. 11. Minnesota Statutes 1992, section 16B.335, is amended to read:

16B.335 [REVIEW OF PLANS AND PROJECTS.]

Subdivision 1. [CONSTRUCTION AND MAJOR REMODELING.] The commissioner, or any other agency to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition authorized by the appropriation until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house ~~appropriations~~ *ways and means* committee and the chairs have made their recommendations. "Construction or major remodeling" means construction of a new building or substantial alteration of the exterior dimensions or interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation.

Subd. 2. [OTHER PROJECTS.] All other capital projects except for those contained in agency operations budgets, including building improvements, small structures at experiment stations, asbestos removal, life safety, PCB removal, tuckpointing, roof repair, code compliance, landscaping, drainage, electrical and mechanical systems work, paving of streets, parking lots, and the like must not proceed until the agency undertaking the project has notified the chair of the senate finance committee and the chair of the house ~~appropriations~~ *ways and means* committee that the work is ready to begin.

Sec. 12. Minnesota Statutes 1992, section 16B.41, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES.] The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establish-

ment of standards and guidelines to be followed by state agencies. The commissioner of administration must establish interim standards and guidelines by August 1, 1987. The office must establish permanent standards and guidelines by July 1, 1988. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ~~appropriations~~ *ways and means* committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must rank in order of priority agency requests for new appropriations for development or purchase of information systems equipment or software. The office must submit this ranking to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature.

(e) The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education must not purchase interconnective computer technology without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office.

Sec. 13. Minnesota Statutes 1992, section 18E.06, is amended to read:

18E.06 [REPORT TO WATER COMMISSION.]

By November 1, 1990, and each year thereafter, the agricultural chemical response compensation board and the commissioner shall submit to the house of representatives committee on ~~appropriations~~ *ways and means*, the senate committee on finance, and the legislative water commission a report detailing the activities and reimbursements for which money from the account has been spent during the previous year.

Sec. 14. Minnesota Statutes 1992, section 115B.20, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] Each year, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house ~~appropriations~~ *ways and means* committee, and the legislative commission on waste management a report detailing the activities for which money from the account has been spent during the previous fiscal year.

Sec. 15. Minnesota Statutes 1992, section 116P.05, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) A legislative commission on Minnesota resources of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources or designees appointed for the terms of the chairs, the chairs of the house ~~appropriations~~ *ways and means* and senate finance committees or designees appointed for the terms of the chairs, six members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and six members of the house appointed by the speaker.

At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(c) Members shall serve on the commission until their successors are appointed.

(d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

Sec. 16. Minnesota Statutes 1992, section 124.078, is amended to read:

124.078 [PERMANENT SCHOOL FUND ADVISORY COMMITTEE.]

A state permanent school fund advisory committee is established to advise the department of natural resources on the management of permanent school fund land, which is held in trust for the school districts of the state. The advisory committee shall consist of the following persons or their designees: the chairs of the education committees of the legislature, the chairs of the senate committee on finance and house committee on ~~appropriations~~ *ways and means*, the commissioner of education, one superintendent from a nonmetropolitan district, and one superintendent from a metropolitan area district. The school district superintendents shall be appointed by the commissioner of education.

The advisory committee shall review the policies of the department of natural resources on management of school trust fund lands and shall recommend necessary changes in policy and implementation in order to ensure provident utilization of the permanent school fund lands.

Sec. 17. Minnesota Statutes 1992, section 135A.05, is amended to read:

135A.05 [TASK FORCE.]

The executive director of the Minnesota higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the *higher education finance* division of the house ~~appropriations~~ *education* committee, the *higher education* division of the senate ~~finance~~ *education* committee, and the office of the commissioner of finance. The task force shall be convened and chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall be convened at least annually. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year. The task force expires June 30, 1993.

Sec. 18. Minnesota Statutes 1992, section 136.261, subdivision 1, is amended to read:

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~~ *ways and means* 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.

Sec. 19. Minnesota Statutes 1992, section 136.41, subdivision 8, is amended to read:

Subd. 8. The state university board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ~~appropriations~~ *ways and means* committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 20. Minnesota Statutes 1992, section 137.02, subdivision 3a, is amended to read:

Subd. 3a. [CONSULTATION REQUIRED.] Land must not be purchased and a building must not be purchased, constructed, or erected on land of the University of Minnesota until the regents have first consulted with the chair of the senate finance committee and the chair of the house ~~appropriations~~ *ways and means* committee and obtained their advisory recommendations.

Sec. 21. Minnesota Statutes 1992, section 144.878, subdivision 5, is amended to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license abatement contractors, to certify employees of lead abatement contractors who perform abatement, and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. The rules must include standards and procedures for on-the-job training for swab teams. All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services ~~committees~~ *committee* in the house of representatives and the *health care committee* in the senate, and to any legislative committee on licensing created by the legislature.

Sec. 22. Minnesota Statutes 1992, section 144A.071, subdivision 5, is amended to read:

Subd. 5. [REPORT.] The commissioner of the state planning agency, in consultation with the commissioners of health and human services, shall report to the senate health and human services *care* committee and the house health and ~~welfare~~ *human services* committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and noninstitutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Sec. 23. Minnesota Statutes 1992, section 246.64, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITIES OF COMMISSIONER.] The commissioner shall credit all receipts from billings for rates set in subdivision 1, except those credited according to subdivision 2, to the chemical dependency fund. This money must not be used for a regional treatment center activity that is not a chemical dependency service or an allocation of expenditures that are included in the base for computation of the rates under subdivision 1. The commissioner may expand chemical dependency services so long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. The commissioner may expand or reduce chemical dependency staff complement as long as expenditures are recovered by patient fees, transfer of funds, or supplementary appropriations. Notwithstanding chapters 176 and 268, the commissioner shall provide for the self-insurance of regional treatment center chemical dependency programs for the costs of unemploy-

ment compensation and workers' compensation claims. The commissioner shall provide a biennial report to the chairs of the senate ~~finance subcommittee on health and human services~~ *division on health care and family services*, the house of representatives ~~human services division of appropriations on health and housing finance~~, and the senate *health care committee* and house of representatives *health and human services committee*.

Sec. 24. Minnesota Statutes 1992, section 256.014, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The commissioner of human services shall report to the chair of the house ~~appropriations ways and means~~ committee and the chair of the senate finance committee on January 1 of each year detailing project expenditures to date, methods used to maximize county participation, and the fiscal impact on programs, counties, and clients.

Sec. 25. Minnesota Statutes 1992, section 256.031, subdivision 3, is amended to read:

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] (a) The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, and the director of the higher education coordinating board, is authorized to proceed with the planning and designing of the Minnesota family investment plan and to implement the plan to test policies, methods, and cost impact on an experimental basis by using field trials. The commissioner, under the authority in section 256.01, subdivision 2, shall implement the plan according to sections 256.031 to 256.0361 and Public Law Numbers 101-202 and 101-239, section 8015, as amended. If major and unpredicted costs to the program occur, the commissioner may take corrective action consistent with Public Law Numbers 101-202 and 101-239, which may include termination of the program. Before taking such corrective action, the commissioner shall consult with the chairs of the senate ~~health and human family services~~ committee, the house health and human services committee, the *health care and human family services division of the senate finance committee family services and health care committees* and the human ~~resources services~~ division of the house ~~appropriations health and human services~~ committee, or, if the legislature is not in session, consult with the legislative advisory commission.

(b) The field trials shall be conducted as permitted under federal law, for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

(c) The commissioner shall select the counties which shall serve as field trial or comparison sites based on criteria which ensure reliable evaluation of the program.

(d) The commissioner is authorized to determine the number of families and characteristics of subgroups to be included in the evaluation.

(i) A family that applies for or is currently receiving financial assistance from aid to families with dependent children; family general assistance or work readiness; or food stamps may be tested for eligibility for aid to families with dependent children or family general assistance and may be assigned by the commissioner to a test or a comparison group for the purposes of evaluating the family investment plan. A family found not eligible for aid to

families with dependent children or family general assistance will be tested for eligibility for the food stamp program. If found eligible for the food stamp program, the commissioner may randomly assign the family to a test group, comparison group, or neither group. Families assigned to a test group receive benefits and services through the family investment plan. Families assigned to a comparison group receive benefits and services through existing programs. A family may not select the group to which it is assigned. Once assigned to a group, an eligible family must remain in that group for the duration of the project.

(ii) To evaluate the effectiveness of the family investment plan, the commissioner may designate a subgroup of families from the test group who shall be exempt from section 256.035, subdivision 1, and shall not receive case management services under section 256.035, subdivision 6a. Families are eligible for services under section 256.736 to the same extent as families receiving AFDC.

Sec. 26. Minnesota Statutes 1992, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] (a) Except as provided under paragraphs (b) and (c), participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) custodial parents under the age of 24 who: (i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or (ii) have had little or no work experience in the preceding year;

(6) recipients who have received AFDC for 36 or more months out of the last 60 months;

(7) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(8) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient either to meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate and family services committee, the house health and human services committees committee, the health and human family services division of the senate finance committee family services and health care committees, and the health and

human services division of the house ~~appropriations~~ *health and human services* committee, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under this section:

(1) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(2) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of money appropriated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraph (a) or (b) to participate. Money must be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Caretakers must be selected on a first-come, first-served basis from a waiting list of caretakers who volunteer to participate. The commissioner may, on a quarterly basis, reallocate unused allocations to county agencies that have sufficient volunteers. If funding under this paragraph is discontinued in future fiscal years, caretakers who began participating under this paragraph must be deemed eligible under paragraph (a), clause (3).

Sec. 27. Minnesota Statutes 1992, section 256.736, subdivision 9, is amended to read:

Subd. 9. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] The commissioner of human services shall make changes in the state plan and rules or seek any waivers or demonstration authority necessary to minimize barriers to participation in the employment and training services or to employment. Changes must be sought in at least the following areas: allowances, child care, work expenses, the amount and duration of earnings incentives, medical care coverage, limitations on the hours of employment, and administrative standards and procedures. The commissioner shall implement each change as soon as possible. Before implementing any demonstration project or a program that is a result of a waiver, the conditions under section 256.01, subdivision 1, clause (12), must be met, and the chair of the senate ~~health and human~~ *family* services committee and the chair of the house of representatives health and human services committee must be notified.

Sec. 28. Minnesota Statutes 1992, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] 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 for the remainder of the current fiscal year and for the following two fiscal years. 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~~ *ways and means* 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.

Sec. 29. Minnesota Statutes 1992, section 256B.0629, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] The advisory committee shall present an annual report to the commissioner and the chairs of the health and human services appropriations divisions housing finance division of the house appropriations health and human services committee and the health care and family services division of the senate finance committee family services and health care committees by January 1 of each year on the findings and recommendations of the committee.

Sec. 30. Minnesota Statutes 1992, section 256B.0925, subdivision 3, is amended to read:

Subd. 3. [RULE WAIVER.] The commissioner is authorized to grant a waiver from portions of Minnesota Rules, parts 9525.0015 to 9525.0165. The commissioner shall report to the health and human services committees care committee of the senate and the health and human services committee of the house of representatives on any portion of the rule that the commissioner is requested to waive and the disposition of the request.

Sec. 31. Minnesota Statutes 1992, section 268.916, is amended to read:

268.916 [REPORTS.]

Each grantee shall submit an annual report to the commissioner on the format designated by the commissioner, including program information report data. By January 1 of each year, the commissioner shall prepare an annual report to the health and human services committees committee of the legislature house of representatives and the family services committee of the senate concerning the uses and impact of head start supplemental funding, including a summary of innovative programs and the results of innovative programs and an evaluation of the coordination of head start programs with employment and training services provided to AFDC recipients.

Sec. 32. Minnesota Statutes 1992, section 355.50, is amended to read:

355.50 [STATE EMPLOYEES, APPROPRIATION.]

With respect to state employees, each department and agency shall pay the amounts required by sections 355.41 to 355.60 from such accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of such salaries. Such payments shall be charged as an administrative cost by such units of state government.

If the federal government increases the required contributions for social security, and as a result of the increase there are insufficient moneys in any such accounts or fund or source of revenue to make the payments to the contribution fund required by sections 355.41 to 355.60 by such departments or agencies, there is hereby appropriated to such department or agency from any moneys in the state treasury not otherwise appropriated such moneys as are required to meet such deficiencies. The amount of each payment made pursuant to these provisions shall be certified by the commissioner of employee relations to the commissioner of finance at such times as the commissioner of finance shall require. The amount certified as necessary to meet a deficiency caused by an increase in federal contribution requirements shall be reported to the senate committee on finance and the house committee on ~~appropriations~~ *ways and means* before the commissioner of finance transfers any money to meet the deficiency.

For those employees of the state or its instrumentalities who as eligible members in the state employees retirement association are employed by the state horticultural society, the disabled American veterans, department of Minnesota, veterans of foreign wars, department of Minnesota, the Minnesota crop improvement association, the Minnesota historical society, the armory building commission and the Minnesota-Wisconsin-Minneapolis-St. Paul survival plan project, these units of government shall also pay into the contribution fund contributions with respect to wages equal to the sum of taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by such agreement or modification constituted employment within the meaning of that act.

Sec. 33. Minnesota Statutes 1992, section 473.846, is amended to read:

473.846 [REPORT TO LEGISLATURE.]

By November 1, 1986, and each year thereafter, the agency and metropolitan council shall submit to the senate finance committee, the house ~~appropriations~~ *ways and means* committee, and the legislative commission on waste management separate reports describing the activities for which money from the landfill abatement and contingency action funds has been spent during the previous fiscal year. The council may incorporate its report in the report required by section 473.149. In its 1988 report, the council shall make recommendations to the legislature on the future management and use of the metropolitan landfill abatement fund.

Sec. 34. [REPEALER.]

Minnesota Statutes 1992, section 268.081, is repealed."

Page 1, line 25, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "the legislature" and insert "legislative committees"

Page 1, line 3, after the semicolon, insert "updating statutory references to names of committees; amending Minnesota Statutes 1992, sections 3.30, subdivision 2; 3.855, subdivision 1; 3.873, subdivision 2; 3.97, subdivision 2; 3.98, subdivision 1; 11A.041; 15.161; 16A.128, subdivision 2a; 16A.69, subdivision 2; 16B.335; 16B.41, subdivision 2; 18E.06; 115B.20, subdivision 6; 116P.05, subdivision 1; 124.078; 135A.05; 136.261, subdivision 1; 136.41, subdivision 8; 137.02, subdivision 3a; 144.878, subdivision 5; 144A.071, subdivision 5; 246.64, subdivision 3; 256.014, subdivision 3; 256.031, subdivision 3; 256.736, subdivisions 3a and 9; 256.9352, subdivision 3; 256B.0629, subdivision 3; 256B.0925, subdivision 3; 268.916; 355.50; and 473.846;"

Page 1, line 5, before the period, insert "; repealing Minnesota Statutes 1992, section 268.081"

The motion prevailed. So the amendment was adopted.

S.F. No. 48, which the committee recommends to pass with the following amendment offered by Mr. Betzold:

Page 2, line 21, delete everything after the period

Page 2, delete lines 22 to 28

Page 4, line 9, after "DATE" insert "; APPLICATION"

Page 4, line 10, after the period, insert "*A request for notice under Minnesota Statutes, section 580.032, subdivision 1, filed on or after August 1, 1992, and prior to August 1, 1993, that is not a separate and distinct document, or incorporated in a mechanic's lien statement filed for record pursuant to Minnesota Statutes, section 514.08, ceases to be a request for notice on June 30, 1994, unless a supplemental request for notice that complies with Minnesota Statutes, section 580.032, subdivision 1, and states the recording information, including document number or book and page of the original request for notice, is filed before July 1, 1994.*"

The motion prevailed. So the amendment was adopted.

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

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Ms. Pappas moved that S.F. No. 382 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Health Care. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Solon and Johnson, D.J. introduced—

S.F. No. 406: A bill for an act relating to local government; authorizing a local unit of government which self-insures health benefits for employees to enroll employees of the exclusive representative of its employees in those plans; amending Minnesota Statutes 1992, section 471.617, by adding a subdivision.

Referred to the Committee on Metropolitan and Local Government.

Mrs. Benson, J.E.; Messrs. Larson, Knutson, Mrs. Pariseau and Mr. Neuville introduced—

S.F. No. 407: A bill for an act relating to occupations and professions; requiring licensed optometrists to be certified by the board of optometry to prescribe topical legend drugs; authorizing the prescription of topical legend drugs by licensed optometrists who are board certified; requiring reports; amending Minnesota Statutes 1992, sections 148.572; 148.574; 151.01, subdivision 23; and 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health Care.

Mr. Johnson, D.J. introduced—

S.F. No. 408: A bill for an act relating to taxation; real property; providing additional information with the proposed notices; amending Minnesota Statutes 1992, section 275.065, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller, Morse, Terwilliger, Stumpf and Riveness introduced—

S.F. No. 409: A bill for an act relating to retirement; Minneapolis employees retirement fund; amending Minnesota Statutes 1992, sections 422A.05, subdivisions 1 and 2a; 422A.08, subdivision 5; and 422A.101, subdivision 1.

Referred to the Committee on Governmental Operations and Reform.

Messrs. Pogemiller and Laidig introduced—

S.F. No. 410: A bill for an act relating to elections; changing requirements and procedures for maintaining precinct boundary data; appropriating money; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 5 and 6; and 204B.146.

Referred to the Committee on Ethics and Campaign Reform.

Messrs. Vickerman, Morse, Ms. Hanson, Messrs. Janezich and Chmielewski introduced—

S.F. No. 411: A bill for an act relating to occupations and professions; requiring licensed optometrists to be certified by the board of optometry to prescribe topical legend drugs; authorizing the prescription of topical legend drugs by licensed optometrists who are board certified; requiring reports; amending Minnesota Statutes 1992, sections 148.572; 148.574; 151.01,

subdivision 23; and 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health Care.

Mr. Johnson, D.J. introduced—

S.F. No. 412: A bill for an act relating to taxation; providing that the motor vehicle registrar may divulge information contained in motor vehicle purchaser's certificates to local officials administering a local sales or use tax; amending Minnesota Statutes 1992, section 297B.12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Janezich; Johnson, D.J. and Lessard introduced—

S.F. No. 413: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Ms. Flynn, Messrs. Mondale, Novak and Oliver introduced—

S.F. No. 414: A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; amending Minnesota Statutes 1992, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.373, subdivision 4a; 473.399, subdivision 1; 473.3993; 473.3994, subdivisions 2, 3, 4, 5, 7, and by adding subdivisions; 473.3996; 473.3997; 473.3998; 473.4051; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1992, sections 473.399, subdivisions 2 and 3; 473.3991; 473.3994, subdivision 6; Laws 1991, chapter 291, article 4, section 20.

Referred to the Committee on Metropolitan and Local Government.

Ms. Anderson, Messrs. Metzen; Finn, Ms. Johnson, J.B. and Mr. Frederickson introduced—

S.F. No. 415: A bill for an act relating to housing; requiring owner to furnish a tenant with a copy of a written lease; requiring disclosure of inspection and condemnation orders; clarifying a tenant's abandonment of property; modifying procedure for tenant file disclosure by tenant screening services; modifying low-income housing; providing penalties; amending Minnesota Statutes 1992, sections 504.22, subdivision 2; 504.24; 504.29, by adding a subdivision; 504.30, subdivisions 1 and 4; 504.33, subdivision 5; 504.34, subdivisions 1 and 2; 566.17, subdivision 3; and 566.18, subdivisions 2 and 7; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Judiciary.

Messrs. Pogemiller and Cohen introduced—

S.F. No. 416: A bill for an act relating to elections; providing for a presidential primary by mail; changing the date of the presidential primary;

increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; amending Minnesota Statutes 1992, sections 204B.45, subdivision 3, and by adding a subdivision; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1992, section 207A.07.

Referred to the Committee on Ethics and Campaign Reform.

Mr. Metzen introduced—

S.F. No. 417: A bill for an act relating to public administration; providing that attorney general opinions given to public pension fund attorneys are decisive; amending Minnesota Statutes 1992, section 8.07.

Referred to the Committee on Governmental Operations and Reform.

Messrs. Hottinger; Metzen; Luther; Johnson, D.E. and Ms. Anderson introduced—

S.F. No. 418: A bill for an act relating to insurance; the comprehensive health association; changing the determination of premium rates; clarifying the authority of the commissioner of commerce; changing the composition of the association's board; amending Minnesota Statutes 1992, sections 62E.08; 62E.09; 62E.10, subdivision 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 62E.

Referred to the Committee on Commerce and Consumer Protection.

Ms. Berglin and Mr. Benson, D.D. introduced—

S.F. No. 419: A bill for an act relating to health care; modifying and making corrections to the health right act; amending Minnesota Statutes 1992, sections 43A.317, subdivisions 2, 7, and 10; 62A.011, subdivision 3; 62A.021, subdivision 1; 62A.65, subdivision 5; 62J.04, subdivisions 2, 3, 4, 5, 6, and 7; 62J.09, subdivisions 1, 2, and 6; 62J.15, subdivision 2; 62J.17, subdivisions 2, 4, 5, and 6; 62J.19; 62J.23; 62J.29, subdivisions 1 and 4; 62J.30, subdivisions 4, 7, 8, and 10; 62J.31, subdivisions 2 and 3; 62J.32, subdivisions 1 and 4; 62J.34, subdivisions 2 and 3; 62L.02, subdivisions 8, 11, 15, and 16, and by adding a subdivision; 62L.03, subdivisions 2 and 5; 62L.05, subdivisions 1, 4, and 10; 62L.09, subdivision 2; 62L.13, subdivisions 1, 3, and 4; 62L.14, subdivisions 1, 2, 3, 4, 5, 6, 7, and 9; 62L.15, subdivision 2; 62L.16, subdivision 5, and by adding a subdivision; 62L.17, subdivisions 1 and 4; 62L.19; 62L.20, subdivisions 1 and 2; 144.147, subdivision 4; 144.1481, subdivision 1; 256.045, subdivision 10; 256.9353, subdivisions 2, 6, and by adding a subdivision; 256.9354; 256.9355, subdivision 3; 256.9356, subdivision 2; 256.9357; 256B.0644; Laws 1992, chapter 549, articles 1, section 15; 2, sections 24 and 25; 3, section 24; and 4, section 18; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1992, sections 62J.05, subdivision 5; 62J.09, subdivisions 3 and 8; and 62J.21.

Referred to the Committee on Health Care.

Messrs. Johnson, D.E.; Hottinger and Bertram introduced—

S.F. No. 420: A bill for an act relating to taxation; sales and use tax; exempting purchases made by nonprofit groups for the purpose of maintaining a church cemetery; amending Minnesota Statutes 1992, section 297A.25, subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnston, Mr. Hottinger, Ms. Runbeck, Messrs. Sams and Murphy introduced—

S.F. No. 421: A bill for an act relating to towns; providing that town elections may take place on the general election day; amending Minnesota Statutes 1992, sections 365.51, subdivisions 1 and 3; and 365.59.

Referred to the Committee on Ethics and Campaign Reform.

Ms. Johnston, Mrs. Pariseau, Ms. Robertson, Lesewski and Wiener introduced—

S.F. No. 422: A bill for an act relating to game and fish; establishing a combined angling license for a single parent and children under 18 years of age; amending Minnesota Statutes 1992, section 97A.475, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Ms. Johnston, Messrs. Belanger, Neuville, Mrs. Benson, J.E. and Ms. Johnson, J.B. introduced—

S.F. No. 423: A bill for an act relating to taxation; sales and use; providing an exemption to counties for certain capital improvement projects; appropriating money; amending Minnesota Statutes 1992, sections 297A.15, by adding a subdivision; and 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Chmielewski, Johnson, D.J.; Frederickson; Kroening and Janezich introduced—

S.F. No. 424: A bill for an act relating to utilities; authorizing utilities to make automatic annual rate adjustments for costs of conservation improvements; amending Minnesota Statutes 1992, section 216B.16, subdivision 7.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Dille, Bertram, Beckman, Berg and Ms. Lesewski introduced—

S.F. No. 425: A bill for an act relating to agriculture; board of animal health; regulating the imposition and collection of civil penalties; appropriating money; amending Minnesota Statutes 1992, section 35.95, subdivisions 1 and 5.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Chmielewski, Solon, Ms. Hanson, Messrs. Belanger and Novak introduced—

S.F. No. 426: A bill for an act relating to drivers' licenses; requiring drivers'

licenses and identification cards to be less susceptible to alteration; amending Minnesota Statutes 1992, section 171.07, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

Mr. Lessard introduced—

S.F. No. 427: A bill for an act relating to the city of Deer River; establishing an office of the deputy registrar of motor vehicles.

Referred to the Committee on Metropolitan and Local Government.

Messrs. Beckman, Hottinger, Day and Ms. Piper introduced—

S.F. No. 428: A bill for an act relating to agriculture; appropriating funds for the operation of FarmAmerica.

Referred to the Committee on Agriculture and Rural Development.

Mr. Solon introduced—

S.F. No. 429: A bill for an act relating to alcoholic beverages; changing definitions of licensed premises, nonintoxicating malt liquor, restaurant, and wine; authorizing an investigation fee on denied licenses; prohibiting manufacturers from dealing directly with retailers; disqualifying felons from licensing; revising authority for suspensions and civil penalties; making rule violations and false or incomplete statements in license applications misdemeanors; authorizing seizure and disposal of illegally possessed alcoholic beverages; providing instructions to the revisor; amending Minnesota Statutes 1992, sections 340A.101, subdivisions 15, 19, 25, and 29; 340A.301, subdivision 3; 340A.302, subdivision 3; 340A.308; 340A.402; 340A.703; 340A.904, subdivision 1; and 340A.907; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1992, section 340A.903.

Referred to the Committee on Commerce and Consumer Protection.

Mr. Vickerman introduced—

S.F. No. 430: A bill for an act relating to traffic regulations; authorizing rural postal carriers to operate rural mail delivery vehicles equipped with tires having metal studs, with restrictions; requiring permit from commissioner of transportation; providing a penalty; amending Minnesota Statutes 1992, section 169.72, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

Mr. Hottinger, Mses. Kiscaden, Wiener and Mr. Metzen introduced—

S.F. No. 431: A bill for an act relating to public administration; providing that government records may be stored on optical disk and retained in that format only; amending Minnesota Statutes 1992, section 15.17, subdivision 1; and 138.17, by adding a subdivision.

Referred to the Committee on Governmental Operations and Reform.

Mr. Hottinger, Mrs. Benson, J.E.; Messrs. Finn and Morse introduced—

S.F. No. 432: A bill for an act relating to education; directing a study of the feasibility of implementing a common semester system.

Referred to the Committee on Education.

Mses. Piper, Berglin, Messrs. Marty and Knutson introduced—

S.F. No. 433: A bill for an act relating to human services; aid to families with dependent children; medical assistance; excluding child support payments from countable income; amending Minnesota Statutes 1992, sections 256.74, subdivision 1; and 256B.056, subdivision 1a.

Referred to the Committee on Family Services.

Mr. Vickerman, Ms. Olson and Mr. Chmielewski introduced—

S.F. No. 434: A bill for an act relating to traffic regulations; making technical changes and clarifications; prohibiting buses from following too closely; providing exceptions to restrictions on installing television screens in motor vehicles; providing for auxiliary lights when headlights are obstructed by snowplow blade; requiring use of shoulder belt when motor vehicle is so equipped; providing exception for law enforcement vehicles to restriction on objects hanging between driver and windshield; abolishing authority for designating official stations for adjusting vehicle lights and brakes; amending Minnesota Statutes 1992, sections 169.14, subdivision 10; 169.18, subdivisions 5 and 8; 169.471, subdivision 1; 169.56, subdivisions 3, 4, and by adding a subdivision; 169.60; 169.686, subdivision 1; and 169.71, subdivision 1; repealing Minnesota Statutes 1992, section 169.77.

Referred to the Committee on Transportation and Public Transit.

Mr. Vickerman introduced—

S.F. No. 435: A bill for an act relating to education; specifying fiscal year 1993 as the first year of cooperation for two school districts.

Referred to the Committee on Education.

Messrs. Merriam, Finn and Knutson introduced—

S.F. No. 436: A bill for an act relating to privacy; recognizing a cause of action for public disclosure of private facts; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Judiciary.

Messrs. Chmielewski, Vickerman, Metzen and Benson, D.D. introduced—

S.F. No. 437: A bill for an act relating to drivers' licenses; increasing fees; increasing amount that may be retained for expenses; amending Minnesota Statutes 1992, section 171.06, subdivisions 2 and 4.

Referred to the Committee on Transportation and Public Transit.

Messrs. Vickerman and Metzen introduced—

S.F. No. 438: A bill for an act relating to watercraft; increasing adminis-

trative fee for titling watercraft; amending Minnesota Statutes 1992, section 86B.870, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon; Moe, R.D.; Kroening; Benson, D.D. and Metzen introduced—

S.F. No. 439: A bill for an act relating to economic and social development; establishing a board of invention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Commerce and Consumer Protection.

Mr. Spear introduced—

S.F. No. 440: A bill for an act relating to real estate; modifying provisions for voluntary foreclosure of mortgages; amending Minnesota Statutes 1992, section 582.32, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; repealing Minnesota Statutes 1992, section 582.32, subdivisions 4, 7, and 8.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 441: A bill for an act relating to employment; requiring employers to indemnify employees for liability arising out of the scope of employment; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 442: A bill for an act relating to human services; providing for a community-based mental health system for children and adults.

Referred to the Committee on Health Care.

Ms. Reichgott, Messrs. Luther, Betzold and McGowan introduced—

S.F. No. 443: A bill for an act relating to housing; establishing a human services enterprise zone demonstration project; appropriating money.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Spear, Ms. Pappas, Messrs. Hottinger, Merriam and Janezich introduced—

S.F. No. 444: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of sexual or affectional orientation; amending Minnesota Statutes 1992, sections 363.01, subdivision 23, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, 8, and 8a; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Marty, Ms. Wiener, Mr. Luther, Ms. Piper and Mr. Chandler introduced—

S.F. No. 445: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of sexual or affectional orientation; amending Minnesota Statutes 1992, sections 363.01, subdivision 23, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, 8, and 8a; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Flynn, Mr. Mondale, Ms. Krentz; Johnson, J.B. and Mr. Pogemiller introduced—

S.F. No. 446: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of sexual or affectional orientation; amending Minnesota Statutes 1992, sections 363.01, subdivision 23, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, 8, and 8a; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Referred to the Committee on Judiciary.

Mses. Anderson, Berglin, Mr. Betzold, Ms. Ranum and Mr. Cohen introduced—

S.F. No. 447: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of sexual or affectional orientation; amending Minnesota Statutes 1992, sections 363.01, subdivision 23, and by adding a subdivision; 363.02, subdivisions 1 and 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, 8, and 8a; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Marty, Sams and Ms. Pappas introduced—

S.F. No. 448: A bill for an act relating to taxation; income; changing rates and income brackets; providing a personal credit in lieu of personal exemptions; increasing the working family credit; amending Minnesota Statutes 1992, sections 290.01, subdivision 19a; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty, Mondale and Price introduced—

S.F. No. 449: A bill for an act relating to urban planning; providing procedures to limit urban sprawl; protecting agricultural land; requiring coordination of development plans; permitting civil actions; amending Minnesota Statutes 1992, sections 462.357, subdivision 2; 473.145; 473.175; 473.204, subdivision 1; 473.851; 473.856; 473.859; 473.865, subdivision 2; and 473.866; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

Ms. Runbeck, Messrs. Oliver; Benson, D.D.; Chandler and Samuelson introduced—

S.F. No. 450: A bill for an act relating to human services; establishing a seven-day validity and nine-day replacement period for lost and stolen assistance warrants; authorizing an enhanced recoupment level in AFDC cases involving welfare fraud; integrating a client release as an inclusion in the combined application form; adding the food stamp program to the coverage of the financial transaction card fraud provision; creating and authorizing the use of commissioner's subpoenas; establishing the offense of food stamp trafficking; prescribing penalties; amending Minnesota Statutes 1992, sections 16A.45, by adding a subdivision; 256.73, subdivision 8; 256.983, subdivision 3; 393.07, subdivision 10; and 609.821, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1992, section 256.985.

Referred to the Committee on Family Services.

Messrs. Beckman; Moe, R.D.; Novak and Ms. Olson introduced—

S.F. No. 451: A bill for an act relating to education; establishing an education and employment transitions program, including a youth apprenticeship program; creating the coordinating council for education and employment transitions; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 126B.

Referred to the Committee on Education.

Mr. Betzold introduced—

S.F. No. 452: A bill for an act relating to civil commitment; clarifying time limitations for appeal under the civil commitment act; amending Minnesota Statutes 1992, sections 253B.18, by adding a subdivision; and 253B.23, subdivision 7.

Referred to the Committee on Judiciary.

Mr. Betzold introduced—

S.F. No. 453: A bill for an act relating to local government; establishing a county option for sales of tax-forfeited lands; requiring reimbursement to county for administrative expenses of special assessments; modifying date for submission of rental statements by housing and redevelopment authority; amending Minnesota Statutes 1992, sections 282.01, subdivision 7; 429.061, by adding a subdivision; and 469.040, subdivision 3.

Referred to the Committee on Metropolitan and Local Government.

Messrs. Marty and Frederickson introduced—

S.F. No. 454: A bill for an act relating to utilities; regulating telephone services to communication-impaired persons; amending Minnesota Statutes 1992, sections 237.50, subdivisions 3, 4, 11, and by adding a subdivision; 237.51, subdivisions 1, 2, 4, 5, and 6; 237.52; 237.54; and 237.55; Laws 1987, chapter 308, section 8.

Referred to the Committee on Jobs, Energy and Community Development.

Ms. Olson, Messrs. Knutson; Johnson, D.E. and Mrs. Benson, J.E. introduced—

S.F. No. 455: A bill for an act relating to education; creating youth apprenticeship programs; proposing coding for new law as Minnesota Statutes, chapter 122A.

Referred to the Committee on Education.

Mr. Benson, D.D. introduced—

S.F. No. 456: A bill for an act relating to workers' compensation; regulating charges for medical treatment and supplies; amending Minnesota Statutes 1992, section 176.136, subdivision 1b.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Lessard, Janezich and Solon introduced—

S.F. No. 457: A bill for an act relating to counties; permitting counties to fund broadcast facilities; amending Minnesota Statutes 1992, section 375.164; repealing Minnesota Statutes 1992, section 383C.808.

Referred to the Committee on Metropolitan and Local Government.

Messrs. Lessard; Johnson, D.J.; Janezich and Solon introduced—

S.F. No. 458: A bill for an act relating to the environment; solid waste management; extending the time for a proposed resource recovery facility to be established and operating; amending Minnesota Statutes 1992, section 115A.54, subdivision 2a.

Referred to the Committee on Environment and Natural Resources.

Messrs. Janezich; Johnson, D.J. and Solon introduced—

S.F. No. 459: A bill for an act relating to St. Louis county; solid waste management; clarifying St. Louis county contracting authority to include management operations; modifying contracting procedure; amending Minnesota Statutes 1992, section 383C.807, subdivision 1.

Referred to the Committee on Metropolitan and Local Government.

Mr. Kroening introduced—

S.F. No. 460: A bill for an act relating to housing; modifying the youth employment and housing for the homeless program; expanding eligible projects; appropriating money; amending Minnesota Statutes 1992, sections 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; and 268.365, subdivision 2; repealing Minnesota Statutes 1992, section 268.365, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Benson, D.D.; Mrs. Benson, J.E.; Messrs. Stevens, Knutson and Finn introduced—

S.F. No. 461: A bill for an act relating to human services; authorizing intensive family preservation services and child welfare targeted case management services; amending Minnesota Statutes 1992, sections 256B.0625, by adding a subdivision; 256F.06, subdivision 2; 257.3573, by adding a subdivision; and 626.559, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; and 256F.

Referred to the Committee on Family Services.

Messrs. Finn, Merriam, Ms. Ranum and Mr. McGowan introduced—

S.F. No. 462: A bill for an act relating to data privacy; classifying state auditor's data; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 6.

Referred to the Committee on Judiciary.

Messrs. Finn; Solon; Kroening; Johnson, D.J. and Frederickson introduced—

S.F. No. 463: A bill for an act relating to tourism; establishing certain tourism loan programs; amending Minnesota Statutes 1992, section 116J.617.

Referred to the Committee on Jobs, Energy and Community Development.

Messrs. Sams, Lessard, Finn and Morse introduced—

S.F. No. 464: A bill for an act relating to game and fish; color of outer clothing required in firearms deer zones; amending Minnesota Statutes 1992, section 97B.071.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Moe, R.D. introduced—

S.F. No. 465: A bill for an act relating to crime; revising and simplifying the harassment crimes; expanding the definition of "harassment"; increasing penalties; amending Minnesota Statutes 1992, sections 609.605, subdivision 1; 609.79, subdivision 1; and 609.795, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1992, sections 609.02, subdivision 12 and 13; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; and 609.795, subdivision 2.

Referred to the Committee on Crime Prevention.

Mr. McGowan introduced—

S.F. No. 466: A bill for an act relating to public safety; regulating privacy of information relating to registered motor vehicles, driver's licenses, and Minnesota identification cards; amending Minnesota Statutes 1992, sections 168.346; and 171.12, subdivision 7.

Referred to the Committee on Judiciary.

MEMBERS EXCUSED

Mr. Beckman was excused from the Session of today at 11:20 a.m. Mr. Cohen was excused from the Session of today from 11:00 to 11:45 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m., Thursday, February 25, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate