

### THIRTY-FIRST DAY

St. Paul, Minnesota, Wednesday, April 7, 1993

The Senate met at 11:45 a.m. and was called to order by the President.

#### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Tom Hendrickson.

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

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

The President declared a quorum present.

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

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 2, 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
	585	22	10:27 a.m. April 2	April 2

Sincerely,  
Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1650.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1993

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1650: A bill for an act relating to data privacy; eliminating a classification of legislators' telephone records; requiring the attorney general to seek recovery of wrongfully paid taxpayer money for telephone charges; amending Laws 1989, chapter 335, article 1, section 15, subdivision 3.

Mr. Moe, R.D. moved that H.F. No. 1650 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1053, 610, 255 and 480. The motion prevailed.

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

S.F. No. 1113: A bill for an act relating to health; regulating physician advertising; amending Minnesota Statutes 1992, section 147.091, subdivision 1.

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

Page 2, line 31, delete everything after the first "board" and insert "or is approved by the Council of Medical Specialty Societies or the Accreditation Council for Graduate Medical Education."

Page 2, delete lines 32 and 33

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

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

S.F. No. 356: A bill for an act relating to chemical abuse; transferring responsibility for creation of a chemical health index model from the department of public safety to the department of human services; appropriating money for research concerning chemical abuse and for its treatment; proposing coding for new law in Minnesota Statutes, chapter 254A; repealing Minnesota Statutes 1992, section 299A.325.

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

Pages 1 and 2, delete sections 2 to 4

Page 2, line 23, delete "5" and insert "2"

Amend the title as follows:

Page 1, line 5, delete from "appropriating" through page 1, line 7, to "treatment;"

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

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

S.F. No. 739: A bill for an act relating to health; regulating ionization radiation; exempting practitioners of veterinary medicine from certain quality assurance tests; amending Minnesota Statutes 1992, section 144.121, by adding a subdivision.

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

Page 1, after line 14, insert:

"Sec. 2. Minnesota Statutes 1992, section 144.121, is amended by adding a subdivision to read:

*Subd. 4. [RADIATION MONITORING.] Whenever involved in radiation procedures, practitioners of veterinary medicine and staff shall wear film-based radiation monitoring badges to monitor individual exposure. The badges must be submitted periodically to a dosimetry service for individual exposure determination."*

Page 1, line 15, delete "2" and insert "3"

Amend the title as follows:

Page 1, lines 5 and 6, delete "a subdivision" and insert "subdivisions"

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

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

S.F. No. 382: A bill for an act relating to health care; creating the Minnesota

health assurance board; requiring peer review for practice parameters; requiring health plans to disclose overheads; designating the commissioner of administration as the sole purchaser of prescription drugs; limiting the promotion of prescription drugs; restricting underwriting and premium rating practices; permitting administrative rulemaking; appropriating money; amending Minnesota Statutes 1992, sections 62A.65, subdivision 5, and by adding a subdivision; 62J.03, by adding subdivisions; 62J.04, subdivision 1; and by adding a subdivision; 62J.09, subdivisions 1, 2, 6, 7, and by adding a subdivision; 62J.15, subdivision 2; 62J.17, subdivisions 5 and 6; 62J.32, subdivision 3; 62J.34, subdivision 2; 62L.03, subdivision 4, and by adding a subdivision; 62L.08, subdivisions 2, 3, 4, and by adding subdivisions; and 256B.0625, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 62J; 72A; and 151; repealing Minnesota Statutes 1992, sections 62J.04, subdivisions 3, 4, 5, and 6; 62J.05; 62J.09, subdivisions 3, 4, and 8; 62J.17, subdivisions 5 and 6; 62J.19; and 62J.21.

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

Delete everything after the enacting clause and insert:

"Section 1. [SINGLE-PAYOR STUDY.]

*The health care commission shall study the administrative cost of paying Minnesota health care providers through the multiple payors that currently reimburse Minnesota providers. The commission shall also analyze the administrative cost of paying Minnesota health care providers through one state government agency and through one private sector health carrier. Administrative cost includes (1) the difference between revenues from all sources of all publicly financed health programs and private sector health plans and all claims paid out; and (2) billing costs for Minnesota providers. The report should, to the extent possible, rely solely on data collected from Minnesota providers, health carriers, and other group purchasers. The commission shall report its findings to the legislature by January 1, 1994."*

Delete the title and insert:

"A bill for an act relating to health care; requiring the health care commission to study a single-payor system."

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

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

S.F. No. 991: A bill for an act relating to occupations and professions; modifying the membership of the board of nursing; requiring a certain examination for licensure of graduates from nursing programs in other countries; modifying requirements for a temporary permit; adding grounds for disciplinary action; amending Minnesota Statutes 1992, sections 148.181, subdivisions 1 and 3; 148.211, subdivision 1; 148.212; and 148.261, subdivision 1.

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

Page 2, line 6, before the period, insert " , and one of the eight must have national certification as a registered nurse anesthetist, nurse practitioner,

nurse midwife, or clinical nurse specialist" and delete "Five" and insert "Four"

Page 4, line 20, delete "registration" and insert "reregistration"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 817: A bill for an act relating to public employment; providing an early retirement incentive for certain public employees; authorizing school districts to levy for certain costs.

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

Delete everything after the enacting clause and insert:

"Section 1. [EMPLOYER-PAID HEALTH INSURANCE.]

*Subdivision 1. [ELIGIBLE EMPLOYEES.] A person employed by the state of Minnesota or, with respect to the incentive provided under subdivision 2, paragraph (b), as a teacher shall, or a person employed by any other public employer, as defined in Minnesota Statutes, section 179A.03, subdivision 15, if the employer authorizes the incentive, may receive an early retirement incentive under subdivision 2 if the person:*

*(1) has at least 25 years of combined service credit in any Minnesota public pension plans governed by Minnesota Statutes, section 356.30, subdivision 3;*

*(2) upon retirement is immediately eligible for a retirement annuity from a defined benefit plan;*

*(3) is at least 55 years of age;*

*(4) retires on or after May 1, 1993, and before January 31, 1994; and*

*(5) if the person is a state employee, works for an agency or appointing authority that will incur layoffs after May 17, 1993.*

*Subd. 2. [INCENTIVE.] (a) A person who meets the requirements of subdivision 1 may choose the incentive in paragraph (b) or the incentive in paragraph (c), but not both.*

*(b) For a person covered by a retirement plan established in Minnesota Statutes, section 352.115, 352.116, or 353.29 and 353.30 or chapter 422A, who selects the incentive under this paragraph, the multiplier percentage used to calculate the retirement annuity must be increased by .25 for each year of allowable service credit. For a teacher, as defined in Minnesota Statutes, section 354.05, subdivision 2, or 354A.011, subdivision 27, the multiplier percentage used to calculate the retirement annuity must be increased by .10 for each year of allowable service credit.*

*(c) For a person who selects the incentive under this paragraph, the employer must pay for hospital, medical, and dental insurance, under conditions and limitations specified in this section. A person is eligible for this employer-paid insurance only if the person:*

(1) is eligible for employer-paid insurance under collective bargaining agreements in effect on the day before the effective date of this section;

(2) has at least as many months of service with the current employer as the number of months younger than age 65 the person is at the time of retirement; and

(3) is less than age 65.

**Subd. 3. [LIMITS ON REHIRING.]** During the biennium ending June 30, 1995:

(1) an executive branch state agency may not hire a replacement for a person who retires under this subdivision except for (i) correctional guards and persons who provide direct patient care in state institutions; (ii) other positions listed in a position-specific executive order issued by the governor; or (iii) in the case of the state universities and community colleges, after review by the presidents, the governing boards decide on a case-by-case basis which positions must be replaced to provide for continuity of service on the campuses; and

(2) another public employer may not hire a replacement for a person who retires under this subdivision, except under position-specific action of the governing body.

**Subd. 4. [CONDITIONS.]** For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

**Subd. 5. [CONDITIONS; INSURANCE COVERAGE.]** A retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the person chooses not to receive the retirement benefits for which the person has applied, or when the person is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

**Subd. 6. [APPLICATION OF OTHER LAWS.]** Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The requirement in this section for an employer to pay health insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

**Subd. 7. [SCHOOL DISTRICT LEVY.]** A school district may levy the amount necessary to make employer contributions for insurance for retired teachers under this section. Notwithstanding Minnesota Statutes, section 121.904, 50 percent of the amount levied must be recognized as revenue for the fiscal year in which the levy is certified. This levy must not be considered in computing the aid reduction under Minnesota Statutes, section 124.155. If a school district levies according to this section, it may not also levy

according to Minnesota Statutes, section 122.531, subdivision 9, for eligible employees.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.*

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 1077: A bill for an act relating to human services; granting authority to make interpretive guidelines; defining interpretive guidelines; providing for a vulnerable adult study; amending Minnesota Statutes 1992, sections 14.03, subdivision 3; 245A.02, subdivision 14; 245A.04, subdivisions 3 and 3b; 245A.06, subdivision 2; 245A.09, subdivision 7, and by adding subdivisions; and 245A.16, subdivision 6.

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

Pages 1 and 2, delete section 1 and insert:

“Section 1. Minnesota Statutes 1992, section 245A.02, subdivision 6a, is amended to read:

Subd. 6a. [DROP-IN CHILD CARE PROGRAM.] “Drop-in child care program” means a nonresidential program of child care in which children participate on a one-time only or occasional basis up to a maximum of 45 90 hours per child, per month. A drop-in child care program must be licensed under Minnesota Rules governing child care centers. A drop-in child care program must meet one of the following requirements to qualify for the rule exemptions specified in section 245A.14, subdivision 6:

(1) the drop-in child care program operates in a child care center which houses no child care program except the drop-in child care program;

(2) the drop-in child care program operates in the same child care center but not during the same hours as a regularly scheduled ongoing child care program with a stable enrollment; or

(3) the drop-in child care program operates in a child care center at the same time as a regularly scheduled ongoing child care program with a stable enrollment but the program’s activities, except for bathroom use and outdoor play, are conducted separately from each other.”

Page 2, after line 35, insert:

“Sec. 3. Minnesota Statutes 1992, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education in a school as defined in section 120.101, subdivision 4, and programs serving children in combined special education and regular prekindergarten programs that are operated or assisted by the commissioner of education;

(6) nonresidential programs for children that provide care or supervision, *without charge for ten or fewer days a year, and for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present on property within another building that is directly contiguous with the physical facility where to the building in which the nonresidential program is provided located;*

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;



(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with mental retardation or related conditions from a single related family for no more than 30 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;

(22) respite care services provided as a home- and community-based service to a person with mental retardation or a related condition, in the person's primary residence; or

(23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17.

*For purposes of clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof."*

Pages 5 and 6, delete section 4

Page 8, line 28, reinstate the stricken language

Pages 8 to 10, delete sections 7 to 11 and insert:

"Sec. 7. Minnesota Statutes 1992, section 245A.14, subdivision 6, is amended to read:

Subd. 6. [DROP-IN CHILD CARE PROGRAMS.] (a) Except as expressly set forth in this subdivision, drop-in child care programs must be licensed as a drop-in program under the rules governing child care programs operated in a center.

(b) Drop-in child care programs are exempt from the ~~requirements in following Minnesota Rules, parts:~~

(1) part 9503.0040;

(2) part 9503.0045, subpart 1, items F and G;

(3) part 9503.0050, subpart 6, except for children less than ~~2-1/2 years~~ 16 months old;

(4) one-half the requirements of part 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6);

(5) *part 9503.0070; and*

(6) *part 9503.0090, subpart 2.*

(c) A drop-in child care program must be operated under the supervision of a person qualified as a director and a teacher.

(d) A drop-in child care program must have at least two persons on staff whenever the program is operating, except that the commissioner may permit variances from this requirement under specified circumstances for parent cooperative programs, as long as all other staff-to-child ratios are met.

(e) *Whenever the total number of children present to be cared for at a center is more than 20, children that are younger than age 2-1/2 must be in a separate group. This group may contain children up to 60 months old. This group must be cared for in an area that is physically separated from older children.*

(f) A drop-in child care program must maintain a minimum staff ratio for children age ~~2-1/2~~ 16 months or greater of one staff person for each ten children.

(g) If the program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for children age ~~2-1/2~~ 16 months or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit.

(h) The minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff-to-child ratio for children age 17 months to 30 months is one staff for every seven children.

(i) In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios.

(j) The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater is: the first staff member must be a teacher; the second, third, and fourth staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher. ~~The commissioner by rule may require that a drop-in child care program serving children less than 2-1/2 years of age serve these children in an area separated from older children and may permit children age 2-1/2 and older to be cared for in the same child care group~~

(k) *A drop-in child care program may care for siblings 16 months or older together in any group. For purposes of this subdivision, sibling is defined as sister or brother or stepsister or stepbrother."*

Page 10, after line 17, insert:

"Sec. 9. [INTERPRETIVE MEMORANDA STUDY.]

(a) *The commissioner of human services shall study and report on the cost, feasibility, and means of implementing the publication and dissemination of written memoranda that provide interpretation, details, or supplementary*

information concerning the application of law or rules administered by the licensing division of the department of human services.

*In preparing the report, the commissioner shall consult with the legislative commission to review administrative rules, legal advocates, consumer groups, providers of service, and county social service agencies.*

*The commissioner shall report the results of the study including the results of the pilot project authorized in paragraph (b) to the legislature by February 1, 1995.*

*(b) The commissioner of human services shall conduct a pilot project in conjunction with the study required by paragraph (a).*

*The purpose of the project is to allow the licensing division of the department of human services to gain the experience and information necessary to do this study and report by publishing and disseminating these memoranda concerning the application of the following rules governing developmental disabilities and child care center regulation: Minnesota Rules, parts 9503.0005 to 9503.0175; 9525.0500 to 9525.0660; 9525.0215 to 9525.0355; 9525.1500 to 9525.1690; and 9525.2000 to 9525.2140.*

*The commissioner is exempt from the rulemaking provisions of Minnesota Statutes, chapter 14, in issuing these memoranda. The statements do not have the force and effect of law and have no precedential effect, but they may be relied on until modified or revoked."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "guidelines" and insert "regulating child care programs; requiring an interpretive memoranda study"

Page 1, line 5, delete "14.03,"

Page 1, delete line 6 and insert "245A.02, subdivisions 6a and 14; 245A.03, subdivision 2; 245A.04,"

Page 1, line 7, delete "subdivisions" and insert "subdivision" and delete "and 3b"

Page 1, line 8, delete " , and by adding subdivisions" and insert " ; 245A.14, subdivision 6"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 1053: A bill for an act relating to state and local government; establishing the Minnesota information network; establishing the metropolitan public information network pilot program; authorizing rulemaking; proposing coding for new law as Minnesota Statutes, chapter 116S.

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

Page 2, line 30, before the semicolon, insert “, which must be the department of administration’s statewide telecommunications network, if appropriate”

Page 3, line 9, delete the second “and”

Page 3, line 13, before the period, insert “; and

*(9) explore the development of an information network accessible to the public at no cost, which must offer information on services provided by government, other public entities, and the private sector”*

Page 3, delete lines 14 to 36

Page 4, delete lines 1 to 15 and insert:

*“Subd. 3. [BOARD OF DIRECTORS.] (a) The corporation is governed by a board of ten directors. The compensation, removal, and filling of vacancies of public members of the board are governed by section 15.0575. The board consists of the secretary of state; the commissioner of the department of administration; two members who are commissioners of state agencies, appointed by the governor; and the following public members, appointed by the governor to three-year terms:*

*(1) a member of the Minnesota state bar association;*

*(2) four members representing statewide user-associations, no two of which may represent the same association; and*

*(3) one member who is an employee of a public library that subscribes to MIN.*

*(b) The Minnesota state bar association may submit a list of three of its members to the governor for consideration in making the appointment under paragraph (a), clause (1). The board may compile a list of no fewer than nine persons representing user associations and submit it to the governor for consideration in making the appointments under paragraph (a), clause (2). The office of library services may submit a list of three librarians to the governor for consideration in making the appointment under paragraph (a), clause (3).*

*The board shall annually elect one of its members to serve as chair of MIN, another as vice-chair, and another as secretary.*

*(c) Five members of the board constitute a quorum, and the affirmative vote of five members is required for any action taken by the board. A vacancy in the membership of the board does not impair the right of a quorum to exercise all the rights and perform all the duties of the board.”*

Page 4, line 16, delete “5” and insert “4”

Page 4, line 21, delete “6” and insert “5”

Page 4, line 23, delete “7” and insert “6”

Page 5, delete lines 4 to 6 and insert:

*“(3) establish fees for the services provided to subscribers.*

*Fees set under clause (3) must cover the actual cost of providing services, except that nonprofit organizations must be charged a reduced fee."*

Page 5, line 15, delete "shall" and insert "must" and delete "pursuant to" and insert "in a"

Page 5, delete line 17

Page 5, line 29, delete everything after the first "MIN"

Page 5, line 30, delete "shall"

Page 5, delete lines 34 and 35 and insert:

*"The record required by clause (3) is the property of MIN."*

Page 6, lines 3, 16, and 22, delete "shall" and insert "must"

Page 6, line 11, after "council" insert ", in cooperation with the intergovernmental information systems advisory council and the state information policy office,"

Page 6, line 19, delete everything after the period

Page 6, delete line 20

Page 6, after line 26, insert:

**"Sec. 9. [INITIAL APPOINTMENTS TO BOARD.]**

*Notwithstanding section 3, subdivision 3, the governor shall appoint one member under clause (2) of that subdivision to a one-year term, another member to a two-year term, and another to a three-year term. The governor shall determine by lot the term to which each member is appointed. The secretary of state shall compile a list of user association representatives for consideration by the governor in making the initial appointments. The first librarian appointed under section 3, subdivision 3, clause (3), need not be employed by a public library subscribing to MIN."*

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 734: A bill for an act relating to local government; enabling local government units to obtain waivers of state rules and laws; providing grants to local government units to encourage cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465.

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

Page 1, line 15, delete "includes" and insert "means"

Page 1, line 23, after "Subd. 3." insert "[COUNCIL.] "Council" or "metropolitan council" means the metropolitan council established by section 473.123.

Subd. 4."

Page 1, after line 26, insert:

"Subd. 5. [METROPOLITAN AGENCY.] "Metropolitan agency" has the meaning given in section 473.121, subdivision 5a.

Subd. 6. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 473.121, subdivision 2."

Page 1, line 27, delete "4" and insert "7"

Page 2, line 4, delete "is established. The board"

Page 2, line 5, delete "one member" and insert "the majority leader and the minority leader" and delete everything after "senate" and insert "or their designees"

Page 2, line 6, delete everything before the comma

Page 2, line 7, delete "one member" and insert "the majority leader and the minority leader" and delete everything after "representatives" and insert "or their designees"

Page 2, line 8, delete everything before the comma

Page 2, line 9, after the first comma, insert "a nonlegislative member of the advisory commission on intergovernmental relations,"

Page 2, line 10, delete "legislative auditor" and insert "director of the legislative commission to review administrative rules"

Page 2, line 13, delete everything after "designate" and insert "one staff member"

Page 2, line 14, delete "office" and delete "as a member" and insert "in the commissioner's or auditor's place"

Page 2, line 15, delete "who" and insert "and the director of the legislative commission to review administrative rules" and delete everything after "serve" and insert "as nonvoting members"

Page 2, line 16, delete everything before the period

Page 2, lines 17 and 18, delete "has the following duties" and insert "shall"

Page 2, lines 19, 28, 32, and 36, delete "to"

Page 2, line 20, after "and" insert "temporary, limited exemptions from enforcement of"

Page 2, line 23, delete the first "to"

Page 3, line 3, delete the first "to"

Page 3, after line 5, insert:

"The board may purchase services from the metropolitan council in reviewing requests for waivers and grant applications."

Page 3, line 9, before "A" insert "(a) Except as provided in paragraph (b)."

Page 3, line 11, after the second "or" insert "a temporary, limited exemption from enforcement of"

Page 3, line 12, before "laws" insert "procedural"

Page 3, line 14, after "waiver" insert "or exemption"

Page 3, line 16, after the period, insert "Before submitting an application to the board, the governing body of the local government unit must approve the waiver or exemption request by resolution at a meeting required to be public under section 471.705."

(b) A school district that is granted a variance from rules of the state board of education under section 121.11, subdivision 12, need not apply to the board for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the state board of education has authority to grant a variance to the rules under section 121.11, subdivision 12. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section."

Page 3, line 18, after "or" insert "exemption from enforcement of a"

Page 3, lines 23, 25, and 29, after "waiver" insert "or exemption"

Page 3, line 34, delete "shall" and insert "must"

Page 4, line 3, delete "may" and insert "shall" and after "dismiss" insert "or request modification of"

Page 4, line 7, after "or" insert "exemption from enforcement of"

Page 4, line 10, after the period, insert "If the application is submitted by a local government unit in the metropolitan area or the unit requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the metropolitan council or a metropolitan agency has jurisdiction, the board shall also transmit a copy of the application to the council for review and comment. The council shall report its comments to the board within 60 days of the date the application was transmitted to the council. The council may point out any resources or technical assistance it may be able to provide a local government submitting a request under this section." and delete "must" and insert "shall"

Page 4, line 12, after "waiver" insert "or exemption" and after the period, insert "The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested."

Page 4, line 17, delete everything after the comma

Page 4, line 18, delete "the supreme court shall" and insert "the chief administrative law judge shall appoint a second administrative law judge to"

Page 4, lines 20, 22, 26, 27, 29, and 32, after "waiver" insert "or exemption"

Page 4, line 23, after the period, insert "Interested persons may submit

*written comments to the board on the waiver or exemption request within 60 days of the board's receipt of the application."*

Page 4, line 25, delete "will be" and insert "is"

Page 4, line 33, delete the second "shall" and insert "may"

Page 4, line 35, delete "shall" and insert "must"

Page 5, lines 1, 8, 10, 13, and 19, after "waiver" insert "or exemption"

Page 5, line 7, delete "and" and before the period, insert ", and members of the public"

Page 5, line 14, delete "must" and insert "shall"

Page 5, line 16, delete "shall" and insert "must"

Page 5, line 24, delete "a waiver from" and insert "an exemption from enforcement of"

Page 5, line 26, delete "waiver" and insert "exemption"

Page 5, line 33, delete "that had been waived" and insert "covered by the agreement"

Page 5, after line 33, insert:

*"Subd. 7. [ACCESS TO DATA.] If a local government unit, through a cooperative program under this section, gains access to data collected, created, received, or maintained by another local government that is classified as not public, the unit gaining access is governed by the same restrictions on access to and use of the data as the unit that collected, created, received, or maintained the data."*

Page 6, line 1, after the comma, insert "the metropolitan council,"

Page 6, line 14, delete "shall" and insert "may"

Page 7, line 1, delete "shall" and insert "may"

Page 9, line 3, after the period, insert "For a metropolitan area local government unit, the plan must also be submitted to the metropolitan council for review and comment. The council may point out any resources or technical assistance it may be able to provide a governing body submitting a plan under this subdivision."

Page 9, lines 5 and 9, after "board" insert "and council, if appropriate,"

Page 9, line 17, after the period, insert "Metropolitan area units shall also submit the plan to the metropolitan council for review and comment."

Page 9, after line 32, insert:

"Sec. 14. Minnesota Statutes 1992, section 465.87, is amended by adding a subdivision to read:

*Subd. 1a: [ADDITIONAL ELIGIBILITY.] A local government unit is eligible for aid under this section if it has combined with another unit of government in accordance with chapter 414 and a copy of the municipal board's order combining the two units of government is forwarded to the board."*



Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "and" insert "exemptions from enforcement of"

Page 1, line 11, after "1" insert ", and by adding a subdivision"

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

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

S.F. No. 384: A bill for an act relating to creditors remedies; regulating executions and garnishments; providing that executions and garnishments on child support judgments are effective until the judgments are satisfied; amending Minnesota Statutes 1992, sections 550.135, subdivision 10; 550.136, subdivisions 3, 4, and 5; 551.04, subdivisions 2 and 11; 551.06, subdivisions 3, 4, and 5; 571.72, subdivision 7; 571.73, subdivision 3; 571.922; and 571.923.

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

Page 4, after line 14, insert:

"Sec. 5. Minnesota Statutes 1992, section 550.143, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION NOTICE.] If the levy is on funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the judgment creditor or its attorney shall provide the sheriff with two copies of an exemption notice, which must be substantially in the form set forth below. The sheriff shall serve both copies of the exemption notice on the financial institution, along with the writ of execution. Failure of the sheriff to serve the exemption notices renders the levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the judgment creditor is not required to serve additional exemption notices. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial institution has on deposit owing to the judgment debtor, but not more than 110 percent of the amount remaining due on the judgment.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF .....

..... JUDICIAL DISTRICT

.....(Judgment Creditor)

.....(Judgment Debtor)

TO: Debtor

EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on ..... (Bank or other financial institution where you have an account.)

Your account balance is \$.....

The amount being held is \$.....

However, all or a portion of the funds in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child *and any child support paid to you*; or

(7) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every debtor's after tax earnings; and

(11) all of a judgment debtor's after tax earnings below 40 times the federal minimum wage.

#### TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the judgment creditor is being held in your account to give you a chance to claim an exemption.

#### TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the judgment creditor's attorney. In the event that there is no attorney for the judgment creditor, then the notice shall be sent directly to the judgment creditor. The address for the judgment creditor's attorney or the judgment creditor is set forth below. Both copies must be mailed or delivered on the same day.

If the financial institution does not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the judgment creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

**IF YOU CLAIM AN EXEMPTION:**

- (1) nonexempt money can be turned over to the judgment creditor or sheriff;
- (2) the financial institution will keep holding the money claimed to be exempt; and
- (3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

**IF THE JUDGMENT CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:**

the institution will hold the money until a court decides if your exemption claim is valid, **BUT ONLY IF** the institution gets a copy of your court motion papers asserting the exemption **WITHIN TEN DAYS** after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.

**MOTION TO DETERMINE EXEMPTION:**

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the court administrator of the above court.

**PENALTIES:**

If you claim an exemption in bad faith, or if the judgment creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....  
.....  
.....  
.....  
Name and address of  
(Attorney for) Judgment  
Creditor

**EXEMPTION:**

(a) Amount of exemption claim.

// I claim **ALL** the funds being held are exempt.

// I claim **SOME** of the funds being held are exempt.

The exempt amount is \$.....

(b) Basis for exemption.

Of the 11 categories listed above, I am in category number ..... (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

.....  
 .....  
 .....

(If the source is a type of relief based on need, list the case number and county:

case number: .....

county: .....

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above named creditor or its attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institute within the last six months.

I have mailed or delivered a copy of the exemption notice to the judgment creditor or judgment creditor's attorney if represented.

.....  
 DEBTOR

DATED: .....

.....  
 DEBTOR ADDRESS

Sec. 6. Minnesota Statutes 1992, section 550.37, subdivision 15, is amended to read:

Subd. 15. The earnings of the minor child of any debtor *and any child support paid to any debtor*, or the proceeds thereof, by reason of any liability of such debtor not contracted for the special benefit of such minor child."

Page 5, after line 28, insert:

"Sec. 9. Minnesota Statutes 1992, section 551.05, subdivision 1a, is amended to read:

Subd. 1a. [EXEMPTION NOTICE.] If the writ of execution is being used by the attorney to levy funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the attorney for the judgment creditor shall serve with the writ of execution two copies of an exemption notice. The notice must be substantially in the form set forth below. Failure of the attorney for the judgment creditor to send the exemption notice renders the execution levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the attorney for judgment creditor is not required to serve an additional exemption notice. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial

institution has on deposit owing to the judgment debtor, but not more than 100 percent of the amount remaining due on the judgment, or \$5,000, whichever is less.

The notice informing a judgment debtor that an execution levy has been used to attach funds of the judgment debtor to satisfy a claim must be substantially in the following form:

STATE OF MINNESOTA

DISTRICT COURT

County of .....

JUDICIAL DISTRICT

.....(Judgment Creditor)

.....(Judgment Debtor)

TO: Judgment Debtor

EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on ..... (bank or other financial institution where you have an account).

Your account balance is \$.....

The amount being held is \$.....

However, all or a portion of the funds in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child *and any child support paid to you*; or

(7) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every judgment debtor's after tax earnings; or

(11) all of a judgment debtor's after tax earnings below 40 times the federal minimum wage.

**TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:**

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the judgment creditor is being held in your account to give you a chance to claim an exemption.

**TO CLAIM AN EXEMPTION:**

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the judgment creditor's attorney. The address for the judgment creditor's attorney is set forth below. Both copies must be mailed or delivered on the same day.

If they do not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the attorney for the judgment creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

**IF YOU CLAIM AN EXEMPTION:**

- (1) nonexempt money can be turned over to the judgment creditor or sheriff;
- (2) the financial institution will keep holding the money claimed to be exempt; and
- (3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

**IF THE JUDGMENT CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:**

the institution will hold the money until a court decides if your exemption claim is valid, BUT ONLY IF the institution gets a copy of your court motion papers asserting the exemption WITHIN TEN DAYS after the objection is mailed or given to you. You may wish to consult an attorney at once if the judgment creditor objects to your exemption claim.

**MOTION TO DETERMINE EXEMPTION:**

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the court administrator of the above court.

**PENALTIES:**

If you claim an exemption in bad faith, or if the judgment creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....  
.....  
.....  
.....  
Name and address of  
(Attorney for) Judgment  
Creditor

EXEMPTION:

(a) Amount of exemption claim.

// I claim ALL the funds being held are exempt.

// I claim SOME of the funds being held are exempt.

The exempt amount is \$.....

(b) Basis for exemption.

Of the 11 categories listed above, I am in category number ..... (If more than one category applies, you may fill in as many as apply.) The source of the exempt funds is the following:

.....  
.....  
.....  
(If the source is a type of relief based on need, list the case number and county:

case number: .....

county: .....)

I hereby authorize any agency that has distributed relief to me or any correctional institution in which I was an inmate to disclose to the above named judgment creditor's attorney only whether or not I am or have been a recipient of relief based on need or an inmate of a correctional institute within the last six months.

I have mailed or delivered a copy of the exemption notice to the judgment creditor's attorney.

.....  
DEBTOR

DATED: .....

.....  
DEBTOR ADDRESS"

Page 8, after line 4, insert:

"Sec. 13. Minnesota Statutes 1992, section 570.025, subdivision 6, is amended to read:

Subd. 6. [NOTICE.] The respondent shall be served with a copy of the preliminary attachment order issued pursuant to this section together with a

copy of all pleadings and other documents not previously served, including any affidavits upon which the claimant intends to rely at the subsequent hearing and a transcript of any oral testimony given at the preliminary hearing upon which the claimant intends to rely and a notice of hearing. Service shall be in the manner prescribed for personal service of a summons unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the respondent.

The notice of hearing served upon the respondent shall be signed by claimant or the attorney for claimant and shall provide, at a minimum, the following information in substantially the following language:

#### NOTICE OF HEARING

To: (the respondent)

The (insert name of court) Court has ordered the sheriff to seize some of your property. The court has directed the sheriff to seize the following specific property: (insert list of property). (List other action taken by the court). Some of your property may be exempt from seizure. See the exemption notice below.

The Court issued this Order based upon the claim of (insert name of claimant) that (insert name of claimant) is entitled to a court order for seizure of your property to secure your payment of any money judgment that (insert name of claimant) may later be obtained against you and that immediate action was necessary.

You have the legal right to challenge (insert name of claimant) claims at a court hearing before a judge. The hearing will be held at the (insert place) on (insert date) at (insert time). You may attend the court hearing alone or with an attorney. After you have presented your side of the matter, the court will decide what should be done with your property until the lawsuit against you is finally decided.

**IF YOU DO NOT ATTEND THIS HEARING, THE COURT MAY ORDER THE SHERIFF TO KEEP PROPERTY THAT HAS BEEN SEIZED.**

#### EXEMPTION NOTICE

An order of attachment is being served upon you. Some of your property is exempt and cannot be seized. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37, and other state and federal laws. If you have questions about an exemption, you should obtain competent legal advice.

1. A homestead or the proceeds from the sale of a homestead.
2. Household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$4,500 at the time of attachment.
3. A manufactured (mobile) home used as your home.
4. One motor vehicle currently worth less than \$2,000 after deducting any security interests.
5. Farm machinery used by someone principally engaged in farming, or



tools, machines, or office furniture used in your business or trade. This exemption is limited to \$5,000.

6. Relief based on need. This includes Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Minnesota Supplemental Assistance, and General Assistance.

7. Social Security benefits.

8. Unemployment compensation, workers' compensation, or veterans' benefits.

9. An accident disability or retirement pension or annuity.

10. Life insurance proceeds or the earnings of your minor child *and any child support paid to you*.

11. Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car).

Sec. 14. Minnesota Statutes 1992, section 570.026, subdivision 2, is amended to read:

Subd. 2. [SERVICE.] The claimant's motion to obtain an order of attachment together with the claimant's affidavit and notice of hearing shall be served in the manner prescribed for service of a summons in a civil action in district court unless that service is impracticable or would be ineffective and the court prescribes an alternative method of service calculated to provide actual notice to the respondent. If the respondent has already appeared in the action, the motion shall be served in the manner prescribed for service of pleadings subsequent to the summons. The date of hearing shall be fixed in accordance with Rule 6 of the Minnesota Rules of Civil Procedure, unless a different date is fixed by order of the court.

The notice of hearing served upon the respondent shall be signed by the claimant or the attorney for the claimant and shall provide, at a minimum, the following information in substantially the following language:

#### NOTICE OF HEARING

TO: (the respondent)

A hearing will be held (insert place) on (insert date) at (insert time) to determine whether the sheriff shall seize nonexempt property belonging to you to secure a judgment that may be entered against you.

You may attend the court hearing alone or with an attorney. After you have presented your side of the matter, the court will decide what should be done with your property until the lawsuit which has been commenced against you is finally decided.

If the court directs the sheriff to seize and secure the property while the lawsuit is pending, you may still keep the property until the lawsuit is decided if you file a bond in an amount set by the court.

**IF YOU DO NOT ATTEND THIS HEARING, THE COURT MAY ORDER YOUR NONEXEMPT PROPERTY TO BE SEIZED.**

## EXEMPTION NOTICE

Some of your property is exempt and cannot be attached. The following is a list of some of the more common exemptions. It is not complete and is subject to section 550.37, and other state and federal laws. If you have questions about an exemption you should obtain competent legal advice.

1. A homestead or the proceeds from the sale of a homestead.
2. Household furniture, appliances, phonographs, radios, and televisions up to a total current value of \$4,500 at the time of attachment.
3. A manufactured (mobile) home used as your home.
4. One motor vehicle currently worth less than \$2,000 after deducting any security interests.
5. Farm machinery used by someone principally engaged in farming, or tools, machines, or office furniture used in your business or trade. This exemption is limited to \$5,000.
6. Relief based on need. This includes Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), Minnesota Supplemental Assistance, and General Assistance.
7. Social Security benefits.
8. Unemployment compensation, workers' compensation, or veterans' benefits.
9. An accident disability or retirement pension or annuity.
10. Life insurance proceeds or the earnings of your minor child *and any child support paid to you*.
11. Money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a manufactured (mobile) home, or a car)."

Page 9, after line 23, insert:

"Sec. 17. Minnesota Statutes 1992, section 571.912, is amended to read:  
571.912 [FORM OF EXEMPTION NOTICE.]

The notice informing a debtor that an order for attachment, garnishment summons, or levy by execution has been used to attach funds of the debtor to satisfy a claim must be substantially in the following form:

STATE OF MINNESOTA  
COUNTY OF .....

DISTRICT COURT  
.....JUDICIAL DISTRICT

.....(Creditor)  
.....(Debtor)

TO: Debtor

## EXEMPTION NOTICE

An order for attachment, garnishment summons, or levy of execution (strike inapplicable language) has been served on ..... (bank or other financial institution) ..... where you have an account.

Your account balance is \$.....

The amount being held is \$.....

However, all or a portion of the funds in your account will normally be exempt from creditors' claims if they are in one of the following categories:

(1) relief based on need. This includes: Aid to Families with Dependent Children (AFDC), AFDC-Emergency Assistance (AFDC-EA), Medical Assistance (MA), General Assistance (GA), General Assistance Medical Care (GAMC), Emergency General Assistance (EGA), Work Readiness, Minnesota Supplemental Aid (MSA), MSA Emergency Assistance (MSA-EA), Supplemental Security Income (SSI), and Energy Assistance;

(2) Social Security benefits (Old Age, Survivors, or Disability Insurance);

(3) unemployment compensation, workers' compensation, or veterans' benefits;

(4) an accident, disability, or retirement pension or annuity;

(5) life insurance proceeds;

(6) the earnings of your minor child *and any child support paid to you*; or

(7) money from a claim for damage or destruction of exempt property (such as household goods, farm tools, business equipment, a mobile home, or a car).

The following funds are also exempt:

(8) all earnings of a person in category (1);

(9) all earnings of a person who has received relief based on need, or who has been an inmate of a correctional institution, within the last six months;

(10) 75 percent of every debtor's after tax earnings; and

(11) all of a debtor's after tax earnings below 40 times the federal minimum wage.

#### TIME LIMIT ON EXEMPTIONS AFTER DEPOSIT IN BANK:

Categories (10) and (11): 20 days

Categories (8) and (9): 60 days

All others: no time limit, as long as funds are traceable to the exempt source. (In tracing funds, the first-in, first-out method is used. This means money deposited first is spent first.) The money being sought by the creditor is being held in your account to give you a chance to claim an exemption.

#### TO CLAIM AN EXEMPTION:

Fill out, sign, and mail or deliver one copy of the attached exemption claim form to the institution which sent you this notice and mail or deliver one copy to the creditor's attorney. In the event that there is no attorney for the creditor, then such notice shall be sent directly to the creditor. The address for the creditor's attorney or the creditor is set forth below. Both copies must be mailed or delivered on the same day.

If they do not get the exemption claim back from you within 14 days of the date they mailed or gave it to you, they will be free to turn the money over to the sheriff or the creditor. If you are going to claim an exemption, do so as soon as possible, because your money may be held until it is decided.

#### IF YOU CLAIM AN EXEMPTION:

- (1) nonexempt money can be turned over to the creditor or sheriff;
- (2) the financial institution will keep holding the money claimed to be exempt; and
- (3) seven days after receiving your exemption claim, the financial institution will release the money to you unless before then it receives an objection to your exemption claim.

#### IF THE CREDITOR OBJECTS TO YOUR EXEMPTION CLAIM:

The institution will hold the money until a court decides if your exemption claim is valid, **BUT ONLY IF** the institution gets a copy of your court motion papers asserting the exemption **WITHIN TEN DAYS** after the objection is mailed or given to you. You may wish to consult an attorney at once if the creditor objects to your exemption claim.

#### MOTION TO DETERMINE EXEMPTION:

At any time after your funds have been held, you may ask for a court decision on the validity of your exemption claim by filing a request for hearing which may be obtained at the office of the court administrator of the above court.

#### PENALTIES:

If you claim an exemption in bad faith, or if the creditor wrongly objects to an exemption in bad faith, the court may order the person who acted in bad faith to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

.....  
 .....  
 .....  
 .....

Name and address of  
 (Attorney for) Judgment  
 Creditor

#### EXEMPTION:

(If you claim an exemption complete the following):

(a) Amount of exemption claim.

// I claim **ALL** the funds being held are exempt.

// I claim **SOME** of the funds being held are exempt.

The exempt amount is \$.....

(b) Basis for exemption.

Of the eleven categories listed above, I am in category number .....  
(If more than one category applies, you may fill in as many as apply.) The  
source of the exempt funds is the following:

.....  
.....  
.....

(If the source is a type of relief based on need, list the case number and  
county:

case number: .....

county: .....)

I hereby authorize any agency that has distributed relief to me or any  
correctional institution in which I was an inmate to disclose to the above  
named creditor or its attorney only whether or not I am or have been a  
recipient of relief based on need or an inmate of a correctional institute within  
the last six months.

I have mailed or delivered a copy of the exemption notice to the creditor's  
attorney.

DATED: .....

.....  
DEBTOR

.....  
DEBTOR ADDRESS"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "exempting child support  
payments from execution;"

Page 1, line 7, after the semicolon, insert "550.143, subdivision 3; 550.37,  
subdivision 15;"

Page 1, line 8, after the semicolon, insert "551.05, subdivision 1a;"

Page 1, line 9, after the first semicolon, insert "570.025, subdivision 6;  
570.026, subdivision 2;" and after "3;" insert "571.912;"

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

Mr. Metzen from the Committee on Governmental Operations and Reform,  
to which was re-referred

S.F. No. 610: A bill for an act relating to economic development; adding the  
executive director of the higher education coordinating board to the Minnesota  
job skills partnership board; authorizing the use by the job skills partnership  
board of funds from any source for grants and dissemination of information;  
amending Minnesota Statutes 1992, sections 116L.03, subdivision 2; and  
116L.05, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Mr.

Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1099: A bill for an act relating to Winona county; authorizing the county to negotiate contracts for solid waste management facilities, programs, and services.

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

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

S.F. No. 992: A bill for an act relating to pollution control; eliminating the pollution control agency board; creating the technical advisory council; expanding the duties of the commissioner; amending Minnesota Statutes 1992, sections 116.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1992, sections 116.02, subdivisions 2, 3, and 4.

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

Page 1, line 24, delete everything after "are"

Page 1, line 25, delete everything before the period and insert "*governed by section 15.059, subdivision 2*"

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

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

S.F. No. 1005: A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

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

Page 1, line 13, delete "LOCAL APPROVAL" and insert "EFFECTIVE DATE"

Page 1, delete lines 14 to 16 and insert:

*"This act is effective the day following final enactment."*

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

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

S.F. No. 304: A bill for an act relating to agriculture; requiring aquatic pest control applicators to be licensed; establishing categories of commercial

aquatic applicator and certified aquatic applicator; amending Minnesota Statutes 1992, section 18B.32.

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

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 1216: A bill for an act relating to drivers' licenses; clarifying requirement of endorsement for special transportation service drivers within the metropolitan area; abolishing examination requirement and certain fees for special transportation service drivers; providing for criminal records checks of special transportation service drivers; amending Minnesota Statutes 1992, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323.

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

Page 1, delete section 1.

Page 2, lines 9 to 12, delete the new language

Page 3, line 17, delete "(a)"

Page 3, lines 25 to 29, delete the new language

Pages 4 and 5, delete section 5 and insert:

"Sec. 4. [REPEALER.]

*Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323, are repealed."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "providing for criminal"

Page 1, delete line 7

Page 1, line 8, delete "drivers;"

Page 1, line 9, delete "171.01, subdivision 24;"

Page 1, line 10, after "2;" insert "and" and delete everything after "5;" and insert "repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323."

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

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 303: A bill for an act relating to motor vehicles; allowing value of rebuilt passenger vehicles to be determined by purchase price for taxation purposes; amending Minnesota Statutes 1992, section 168.013, subdivision 1a.

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

Page 1, lines 24 and 25, delete the new language

Page 2, line 4, before the period, insert “; *except the registrar shall establish for vehicles with a certificate of title marked ‘flood damaged,’ ‘rebuilt,’ or ‘reconstructed’ as required under section 325F.6642 a value that is 15 percent less than the vehicle’s base value*”

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 1254: A bill for an act relating to state government; revising laws governing the intergovernmental information systems advisory council; amending Minnesota Statutes 1992, section 16B.42.

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

Page 2, line 4, delete the third “and”

Page 2, line 5, after “planning” insert a comma

Page 2, line 16, delete the comma

Page 2, line 17, after the second “the” insert “*subcommittee on committees of the*”

Page 2, line 21, reinstate the stricken “15.059”

Page 2, line 22, delete the new language

Page 3, line 4, before the semicolon, insert “*with respect to intergovernmental information systems*”

Page 3, line 21, after “membership” insert a comma and delete “shall” and insert “must”

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. 1228: A bill for an act relating to metropolitan government; requiring the transit commission to obtain consent to use parkways; amending Minnesota Statutes 1992, section 413.411, subdivision 5.

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

Page 1, line 22, after “parkway” insert “*for regular route service*”

Page 1, line 23, delete “any” and insert “*reasonable*”

Page 1, line 24, after “by” insert “*a joint board consisting of two representatives from the transit commission, two members of*”



Page 1, line 25, after "city" insert ", and a fifth member jointly selected by the representatives of the transit commission and the park board" and after the period, insert:

*"A board of park commissioners, or other body having control of the parks or parkways, may designate persons to sit on the joint board. In considering a request by the transit commission to use designated parkways for additional routes or trips, the joint board consisting of the transit commission, the board of park commissioners, or other body having control of parks or parkways or their designees, and the fifth member, shall base its decision to grant or deny the request based on the criteria to be established by the joint board."*

Amend the title as follows:

Page 1, line 4, delete "413.411" and insert "473.411"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 920: A bill for an act relating to the environment; providing for passive bioremediation; requiring staff to pay uncontested reimbursement claims at the direction of the commissioner of commerce; establishing a standard schedule of prices to pay for certain cleanup services; providing for reviews; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing rulemaking; amending Minnesota Statutes 1992, sections 115.061; 115C.02, subdivision 10; 115C.03, by adding subdivisions; 115C.07, subdivisions 2 and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, and by adding a subdivision; and 115C.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12.

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

Page 3, line 20, strike "The board may adopt emergency rules under this"

Page 3, delete line 21 and insert "~~subdivision for one year after June 4, 1987.~~"

Page 3, line 22, strike "(c)"

Page 3, line 33, delete "(d)" and insert "(c)"

Page 4, line 1, reinstate the stricken "(d)" and delete "(e)"

Page 4, delete lines 3 and 4

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

Mr. Spear from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1032: A bill for an act relating to commerce; regulating prize notices; requiring certain disclosures by solicitors; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 2, line 10, delete "such"

Page 5, line 14, delete "A violation is intentional" and insert "It is evidence of intent"

Page 5, line 17, delete everything after "section" and insert a period

Page 5, delete line 18

Page 5, after line 26, insert:

"Sec. 2. [EFFECTIVE DATE.]

*This act is effective October 1, 1993, and applies to crimes committed on or after that date."*

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

Mr. Spear from the Committee on Crime Prevention, to which was re-referred

S.F. No. 876: A bill for an act relating to the environment; conditioning the use of state funds by the attorney general for investigation of environmental violations; allowing courts to dismiss proceedings against first-time violators of certain environmental provisions after a successful probationary period is completed; amending Minnesota Statutes 1992, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 8.

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

Pages 1 to 3, delete section 2

Page 3, line 10, delete "3" and insert "2"

Page 3, line 11, delete everything after "effective" and insert "December 31, 1993."

Page 3, delete lines 12 to 14

Amend the title as follows:

Page 1, line 4, delete from "allowing" through page 1, line 9, to "subdivision;"

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

Mr. Spear from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1104: A bill for an act relating to health; modifying provisions

relating to unlicensed mental health practitioners and sellers of hearing instruments; establishing enforcement provisions; providing penalties; amending Minnesota Statutes 1992, sections 148B.66, by adding a subdivision; 148B.70, subdivision 3; 153A.14, by adding a subdivision; 153A.15, subdivision 1; and 153A.19, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 214.

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

Page 1, delete section 1

Page 1, line 27, after "*commissioner*" insert "*under this section*" and delete "*July*" and insert "*October*"

Page 6, after line 14, insert:

"Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 3 and 5 are effective October 1, 1993, and apply to crimes committed on or after that date.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after "sections"

Page 1, line 7, delete "subdivision;"

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. 1290: A bill for an act relating to local government; permitting the cities of Bloomington, Edina, Richfield, Eden Prairie, and Minnetonka to establish a transportation demand management program.

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

Page 1, delete lines 9 to 15

Page 1, line 16, delete "*Subd. 2. [AUTHORITY.]*"

Page 1, line 18, delete "*by ordinance*" and insert "*in consultation with the metropolitan council*" and after "*establish*" insert "*by ordinance*"

Page 1, line 19, delete "*, developers, and*" and insert "*and developers or*"

Page 1, line 23, after "*charge*" insert "*reasonable*"

Page 1, line 24, delete "*implement*" and insert "*administer*" and after "*the*" insert "*implementation of*"

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. 1454: A bill for an act relating to metropolitan government; providing for an advisory council on metropolitan governance.

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

Page 2, line 19, delete "*Upon the request of the*"

Page 2, line 20, delete "*advisory council,*" and delete "*offices*"

Page 2, line 22, before the period, insert "*when requested by the advisory council*"

Page 2, line 27, delete "*compensated*" and insert "*to be paid per diem and expenses*"

Page 2, line 28, delete "*3.101*" and insert "*3.099*"

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

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

S.F. No. 1074: A bill for an act relating to natural resources; management of state-owned lands by the department of natural resources; amending Minnesota Statutes 1992, sections 84.0273; 84.632; 92.06, subdivision 1; 92.14, subdivision 2; 92.19; 92.29; 92.67, subdivision 5; 94.10; 94.11; 94.13; and 94.348, subdivision 2.

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

Page 2, line 14, strike "*The entire, or a portion of*" and after the stricken "*flowage*" insert "*All or part of*"

Page 2, line 15, strike "*in an amount*"

Page 2, line 20, strike "*shall be deposited in*" and insert "*must be credited to*"

Page 2, line 22, delete "*shall be deposited in*" and insert "*must be credited to*"

Page 2, after line 23, insert:

"Sec. 3. Minnesota Statutes 1992, section 85.015, is amended by adding a subdivision to read:

*Subd. 1a. [PRIVATE SUBSURFACE USE OF TRAILS.] Notwithstanding section 272.68, subdivision 3, the commissioner may issue a permit, without a fee, to allow a person who owns land adjacent to a trail established under this section on land owned by the state in fee to continue a subsurface use of the trail right-of-way, if:*

*(1) the person was carrying on the use when the state acquired the land for the trail; and*

*(2) the use does not interfere with the public's use of the trail.*

Sec. 4. Minnesota Statutes 1992, section 86A.05, subdivision 14, is amended to read:

Subd. 14. [AQUATIC MANAGEMENT AREAS.] (a) Aquatic management areas may be established to protect, develop, and manage lakes, rivers, streams, and adjacent wetlands and lands that are critical for fish and other aquatic life, for water quality, and for their intrinsic biological value, public fishing, or other compatible outdoor recreational uses.

(b) *Aquatic management areas may be established to protect wetland areas under ten acres that are donated to the department of natural resources.*

(c) No unit may be authorized unless it meets one or more of the following criteria:

- (1) provides angler or management access;
- (2) protects fish spawning, rearing, or other unique habitat;
- (3) protects aquatic wildlife feeding and nesting areas;
- (4) protects critical shoreline habitat; or
- (5) provides a site for research on natural history.

(e) (d) Aquatic management areas must be administered by the commissioner of natural resources in a manner consistent with the purposes of this subdivision to perpetuate and, if necessary, reestablish high quality aquatic habitat for production of fish, wildlife, and other aquatic species. Public fishing and other uses shall be consistent with the limitations of the resource, including the need to preserve adequate populations and prevent long-term habitat injury or excessive fish population reduction or increase. Public access to aquatic management areas may be closed during certain time periods."

Page 2, line 35, after "subdivision" insert a comma

Page 3, lines 4 and 5, delete "shall" and insert "must"

Page 3, line 6, delete "follows" and insert "provided in paragraph (c)"

Page 3, line 15, delete "shall be" and insert "is"

Page 3, line 17, delete "following"

Page 3, line 18, delete everything before the comma and insert "after July 1, 1993" and delete "shall be" and insert "is"

Page 6, line 26, delete "of"

Page 6, line 27, delete "natural resources"

Page 7, line 17, delete "shall be" and insert "are the same as"

Page 8, line 4, delete "shall recite" and insert "must state"

Page 8, after line 8, insert:

"Sec. 13. Minnesota Statutes 1992, section 94.343, subdivision 3, is amended to read:

Subd. 3. (a) Except as otherwise herein provided, Class A land shall be exchanged only for land of at least substantially equal value to the state, as determined by the commissioner, with the approval of the board. For the purposes of such determination, the commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and appraised by qualified state appraisers as provided in section 84.0272; provided, that in

exchanges with the United States or any agency thereof the examination and appraisal may be made in such manner as the land exchange board may direct. The appraisers shall determine the fair market value of the lands involved, disregarding any minimum value fixed for state land by the state constitution or by law, and shall make a report thereof, together with such other pertinent information respecting the use and value of the lands to the state as they deem pertinent or as the commissioner or the board may require. Such reports shall be filed and preserved in the same manner as other reports of appraisal of state lands. The appraised values shall not be conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.

(b) For the purposes of this subdivision, "substantially equal value" means:

(1) where the values of the lands being exchanged are both over 100 acres, their values do not differ by more than ten percent; and

(2) in other cases, the values of the exchanged lands do not differ by more than 20 percent."

Page 8, line 13, strike "retained by the board" and delete ", deposited in" and insert "credited to"

Page 8, line 14, delete the comma

Page 8, line 15, delete "and immediately available"

Page 8, after line 21, insert:

"Sec. 15. Minnesota Statutes 1992, section 97A.135, subdivision 2, is amended to read:

Subd. 2. [DISPOSAL OF UNSUITABLE HUNTING AREAS.] The commissioner shall sell or exchange land acquired for public hunting that is unnecessary or unsuitable. The land may not be sold for less than its purchase price. The land may be exchanged for land of equal value that adds to existing public hunting areas. The sales and exchanges must be approved by the executive council. *This subdivision does not apply to land in a wildlife management area.*

Sec. 16. Minnesota Statutes 1992, section 97A.135, is amended by adding a subdivision to read:

Subd. 2a. [DISPOSAL OF LAND IN WILDLIFE MANAGEMENT AREAS.] (a) *The commissioner may sell or exchange land in a wildlife management area authorized by designation under section 86A.07, subdivision 3, or 97A.145 if the commissioner vacates the designation before the sale or exchange in accordance with this subdivision. The designation may be vacated only if the commissioner finds, after a public hearing, that the land no longer meets the criteria in section 86A.05, subdivision 8.*

(b) *A sale under this subdivision is subject to sections 94.09 to 94.16. An exchange under this subdivision is subject to sections 94.341 to 94.348.*

(c) *Revenue received from a sale authorized under paragraph (a) is appropriated to the commissioner for acquisition of replacement wildlife management lands.*

*(d) Land acquired by the commissioner under this subdivision must meet the criteria in section 86A.05, subdivision 8, and as soon as possible after the acquisition must be designated as a wildlife management area under section 86A.07, subdivision 3, or 97A.145.*

*(e) In acquiring land under this subdivision, the commissioner must give priority to land within the same geographic region of the state as the land conveyed.*

Sec. 17. [EFFECTIVE DATE.]

*This act is effective the day following final enactment, except that sections 15 and 16 are effective August 1, 1993, and do not apply to purchase agreements executed before that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "private use of state trails; appropriating money;"

Page 1, line 5, after "84.632;" insert "85.015, by adding a subdivision; 86A.05, subdivision 14;"

Page 1, line 7, delete "and" and insert "94.343, subdivision 3;" and before the period, insert "; and 97A.135, subdivision 2, and by adding a subdivision"

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. 948: A bill for an act relating to insurance; property; regulating the FAIR plan; modifying its provisions; making various technical changes; amending Minnesota Statutes 1992, sections 65A.31; 65A.32; 65A.33, subdivisions 4, 5, and 6; 65A.34; 65A.35; 65A.36; 65A.37; 65A.375; 65A.38; 65A.39; 65A.40; 65A.41; and 65A.42; repealing Minnesota Statutes 1992, sections 65A.33, subdivision 8; and 65A.43.

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 579: A bill for an act relating to retirement; the public employees retirement association; increasing the pension benefit multiplier for the public employees police and fire fund; amending Minnesota Statutes 1992, sections 353.651, subdivision 3; and 353.656, subdivision 1.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1992, section 353.65, is amended by adding a subdivision to read:

*Subd. 3a. [INCREASE IN EMPLOYEE AND EMPLOYER CONTRIBUTIONS IN CERTAIN INSTANCES.] (a) In addition to the contribution rates in effect under subdivisions 2 and 3, if the most recent regular actuarial valuation of the public employees police and fire fund under section 356.215 indicates that the fund has an unfunded actuarial accrued liability and that there is a deficiency when the total actuarial funding requirements of the fund are compared to the total support, expressed as a percentage of covered payroll, the employee and employer contribution rates must be increased.*

*(b) The increase in the employee contribution rate is 40 percent of the deficiency in total support indicated under paragraph (a), expressed as a percentage of covered payroll. The increase in the employer contribution rate is the balance of that percentage rate deficiency.*

*(c) The contribution rate increase must be determined by the executive director of the public employees retirement association.*

*(d) The contribution rate increase is effective on the January 1 next following the actuarial valuation disclosing the deficiency specified in paragraph (a). The increased contribution rate continues until the regular actuarial valuations of the public employees police and fire fund under section 356.215 no longer indicates that there is a deficiency when the total actuarial funding requirements of the fund are compared to the total support."*

Page 2, after line 11, insert:

**"Sec. 4. [PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN: ELECTION OF COVERAGE IN CERTAIN INSTANCES.]**

*(a) Notwithstanding any provision to the contrary in Minnesota Statutes, chapter 353 or 353D, a person described in paragraph (b) is eligible to elect contributions for prior service under paragraph (c) and coverage for future public employment under paragraph (d).*

*(b) A person eligible to make the elections provided for in this section is a person who:*

*(1) was born on March 3, 1939;*

*(2) was an elected official of Blackberry township during the period March 1972 through March 1990;*

*(3) became an employee of the city of Deer River in March 1987; and*

*(4) is a member of the coordinated program of the public employees retirement association under Minnesota Statutes, chapter 353, on the effective date of this section.*

*(c) An eligible person may elect to make member contributions for prior service as an elected official of Blackberry township to the public employees defined contribution plan under Minnesota Statutes, chapter 353D. The election must be made on a form prescribed by the executive director of the public employees retirement association. The election form must be accompanied with a lump sum payment of prior member contributions of \$1,937.93, plus interest on that amount at an annual compound rate of six percent from July 1, 1993, to the date payment is made, if payment is made after July 1, 1993. If the person pays the prior member contributions, the employing governmental subdivision for the March 1972, through March 1990, period shall pay, in a lump sum, \$2,447.69 plus interest on that amount at an annual*



*compound rate of six percent from July 1, 1993, to the date payment is made, and shall make that payment within 60 days of the payment of the prior member contribution amount and receipt of a notice from the executive director of the public employees retirement association. The amounts under this paragraph must be deposited in the Minnesota supplemental investment fund to the credit of the person making the member contribution amount as provided in Minnesota Statutes, section 353D.05. Authority to make the prior service member contributions under this paragraph expires on July 1, 1994.*

*(d) An eligible person may elect to participate in the public employees defined contribution plan governed by Minnesota Statutes, chapter 353D, rather than the coordinated program of the public employees retirement association governed by Minnesota Statutes, chapter 353, for future service as an employee of the city of Deer River after June 30, 1993. The election under this paragraph must be made by July 1, 1993. No refund under Minnesota Statutes, section 353.34, is payable unless the person terminates public employment qualifying for coverage under Minnesota Statutes, chapter 353 or 353D."*

Page 2, line 13, delete "and 2" and insert "to 3"

Page 2, line 14, after the period, insert "Section 4 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "fund;" insert "permitting election of coverage in the public employees defined contribution plan for certain former elected officials;" and after "sections" insert "353.65, by adding a subdivision;"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 1064: A bill for an act relating to retirement; alternative retirement coverage for certain state university and community college teachers; amending Minnesota Statutes 1992, section 352D.02, by adding a subdivision; and Laws 1990, chapter 570, article 10, section 7.

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

Page 1, delete section 1

Page 2, delete line 21

Page 2, line 22, delete "Sections 2 and 3" and insert:

"Sections 1 and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after "amending"

Page 1, line 5, delete everything before "Laws"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 580: A bill for an act relating to local government; providing for the preparation and review of accounts; providing for duties of the state auditor; providing for the costs of examinations; defining the limits to various types of compensation; providing procedures for the satisfaction of claims; providing procedures for the removal of city managers; limiting certain high risk investments; amending Minnesota Statutes 1992, sections 6.56; 16B.06, subdivision 4; 43A.17, subdivision 9; 340A.602; 375.162, subdivision 2; 375.18, by adding subdivisions; 412.271, subdivision 1, and by adding subdivisions; 412.641; subdivision 1; and 475.66, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 6; 465; and 471.

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

Pages 4 and 5, delete section 4

Page 6, lines 14 to 27, delete the new language and insert "*Other forms of compensation that must be included to determine an employee's total compensation are all other direct and indirect items of compensation that are not specifically excluded by this subdivision. Other forms of compensation that may not be included in a determination of an employee's total compensation for the purposes of this subdivision are:*

*(1) employee benefits that are also provided for the majority of all other full-time employees of the political subdivision, vacation and sick leave allowances, health and dental insurance, disability insurance, term life insurance, and pension benefits;*

*(2) dues paid to organizations that are of a civic, professional, educational, or governmental nature; and*

*(3) reimbursement for actual expenses incurred by the employee that the governing body determines to be directly related to the performance of job responsibilities, including any relocation expenses paid during the initial year of employment.*

*The value of other forms of compensation is the annual cost to the political subdivision for the provision of the compensation."*

Page 11, line 17, delete "50" and insert "60"

Page 11, line 24, delete everything after "employee" and insert "includes"

Page 11, line 25, delete everything before "benefits"

Page 11, line 26, after "for" insert "accumulated vacation, accumulated sick leave, and"

Page 12, line 17, delete "or"

Page 12, line 23, before the period, insert "or

(3) the severance pay benefit was adopted in a public meeting by resolution of the governing body of the local unit of government before January 1, 1993, and the termination of employment occurs before the expiration date of the period covered by the resolution"

Page 13, line 30, delete everything after "(1)"

Page 13, line 31, delete "to respond to a" and insert "in connection with" and delete "emergency" and insert "activities"

Page 14, line 11, delete "marked"

Page 17, line 22, delete "19" and insert "18"

Renumber the sections in sequence

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 255: A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1992, sections 352.01, subdivision 2a; and 352.04, subdivision 6.

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

Page 3, after line 9, insert:

"Sec. 3. [STUDY OF BENEFIT OPTIONS FOR PUBLIC EMPLOYEES WHO BECOME NONPUBLIC EMPLOYEES.]

*The legislative commission on pensions and retirement shall study the issue of benefit options for public employees who become nonpublic employees for the purpose of ensuring that the employees have the same or similar benefits subsequent to public employment as they did during public employment. The commission shall report the results of the study and any proposed legislation to the chairs of the committee on governmental operations and gaming and the committee on ways and means of the house of representatives and the committee on governmental operations and reform and the committee on finance of the senate by January 15, 1994."*

Page 3, line 10, delete "3" and insert "4"

Page 3, line 11, delete "and 2" and insert "to 3" and after the period, insert "Section 1 applies retroactively to July 1, 1992, and contributions for that retroactive application period must be paid to the state employees retirement fund, plus interest at the annual compound rate of 8.5 percent."

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 833: A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

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

Page 1, line 8, after "1." insert "[ELECTION AUTHORIZATION.]"

Page 1, line 9, after "payments" insert "*for a period of an authorized leave of absence without pay*"

Page 1, line 11, after "make" insert "a"

Page 1, line 12, after "periods" insert "*of authorized leave of absence without pay occurring*"

Page 1, line 13, after the first "1990" insert a comma and after "1991" insert a comma

Page 1, line 15, after "2." insert "[AMOUNT OF PAYMENT.]" and after "payment" insert "*under subdivision 1*"

Page 1, line 22, after the period, insert "*Any amount under this subdivision that is not paid by Ramsey county must be paid by the person described in subdivision 1.*"

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. 1342: A bill for an act relating to business corporations; amending Minnesota Statutes 1992, section 302A.011, subdivision 6a.

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

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

S.F. No. 1192: A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

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

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

S.F. No. 1075: A bill for an act relating to civil actions; including arbitration awards under the collateral source statute; amending Minnesota Statutes 1992, section 548.36, subdivisions 1, 2, 3, and 4.

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

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

S.F. No. 673: A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 257.69, subdivision 1; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, and 12; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 548.09, subdivision 1; 548.091, subdivision 3a; 588.20; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

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

Page 3, line 8, after "sections" insert "*256.031 to 256.0361*," and after "256.87" insert a comma

Page 4, line 5, after "sections" insert "*256.031 to 256.0361*,"

Page 4, line 6, after "256.87" insert a comma

Page 5, line 5, strike "carry out the child support"

Page 5, strike line 6

Page 5, line 7, strike "have, or appear to have," and before "a" insert "*locate a person to establish paternity, child support, or to enforce*"

Page 5, line 8; before the comma, insert "*in arrears*"

Page 5, line 15, after "information" insert "*of the person's whereabouts*" and reinstate the stricken "written"

Page 5, line 25, strike everything after "Information"

Page 5, strike line 26

Page 5, line 27, strike everything before "requested"

Page 5, line 29, strike everything after "section"

Page 5, line 30, strike "make such information" and insert "*be made*"

Page 5, line 34, strike "who have, or appear to have," and reinstate the stricken period

Page 6, line 2, delete "*a child support*"

Page 6, line 3, delete "*obligation*" and insert "*The commissioner may not release the information to an agency or political subdivision of another state unless the agency or political subdivision agrees to maintain the data consistent with its classification in this state*"

Page 6, line 7, after "A" insert "*written*"

Page 6, line 18, delete everything after "*companies*" and insert "*is limited to*"

Page 6, line 20, after "*income,*" insert "*employer and*"

Page 6, lines 21 and 34, before "*reasonable*" insert "*an arrearage of child support and there is*"

Page 6, line 23, delete "*due*"

Page 6, line 24, delete "*to illness, injury, or accident*"

Page 6, lines 25 and 31, delete "*includes, but is not limited to,*" and insert "*is limited to*"

Page 7, line 3, delete "*includes, but is not limited to,*" and insert "*is limited to*"

Page 7, line 10, delete the first "*and*" and insert "*gas,*" and delete the second "*and*" and insert "*or*"

Page 9, line 36, delete "*Two*"

Page 11, line 19, delete "*may*" and insert "*shall*"

Page 14, lines 5 to 7, delete the new language

Page 15, line 10, reinstate the stricken language and before the reinstated "*Unless*" insert "*{a}*"

Page 15, line 11, reinstate the stricken language

Page 15, line 12, reinstate the stricken language and delete "*{a}*"

Page 15, lines 16 to 21, delete the new language

Page 16, line 26, delete "*may*" and insert "*shall*"

Page 18, line 24, after "*that*" insert "*willfully*"

Page 18, line 29, before "*failed*" insert "*willfully*"

Page 18, line 31, delete "*40*" and insert "*41*"

Page 21, line 14, delete "*a finding by the court*" and insert "*prima facie evidence*"

Page 24, line 28, before "*Pension*" insert "*Mandatory*" and after "*Deductions*" insert "*, or Voluntary Pension Deductions*"

Page 24, line 29, delete "*to Exceed*" and insert "*Exceeding*"

Page 24, delete line 36

Page 25, delete lines 1 and 2

Page 26, line 2, after the period, insert "*The court may allow the noncustodial parent to care for the child while the custodial parent is working if this arrangement is reasonable and in the best interests of the child.*"

Page 29, line 5, delete "*give them*" and insert "*provide*"

Page 29, line 9, before the period, insert "*, unless the request is not made in good faith*"

Page 29, line 11, after the period, insert *"A request under this paragraph may not be made more than once every two years, in the absence of good cause."*

Page 33, after line 15, insert:

"Sec. 36. [518.561] [EMPLOYER QUESTIONNAIRE AND NOTICE.]

*The commissioner of human services shall prepare a questionnaire for use by employers in obtaining information from employees for purposes of complying with sections 518.171, subdivision 2a, and 518.611, subdivision 8. The commissioner shall arrange for public dissemination of the questionnaires and notice to employers of the requirements of these provisions."*

Page 35, line 13, delete "40" and insert "41"

Page 36, line 4, after "has" insert "intentionally"

Page 36, line 11, after "funds" insert "intentionally"

Page 37, line 13, delete "or"

Page 37, line 14, before the period, insert *": or (6) the addition or elimination of work-related child care expenses of the obligee or a substantial increase or decrease in existing work-related child care expenses"*

Page 38, delete lines 16 to 20

Page 41, after line 1, insert:

"Sec. 46. Minnesota Statutes 1992, section 541.04, is amended to read:  
541.04 [JUDGMENTS, TEN YEARS.]

*No action shall be maintained upon a judgment or decree of a court of the United States, or of any state or territory thereof, unless begun within ten years after the entry of such judgment, or within 20 years if the judgment is for child support."*

Page 41, line 15, before the period, insert *": or for 20 years after its entry if the judgment is for child support"*

Page 41, line 26, before the period, insert *": or for 20 years after its entry if the judgment is for child support"*

Page 41, after line 28, insert:

"Sec. 49. Minnesota Statutes 1992, section 550.01, is amended to read:  
550.01 [ENFORCEMENT OF JUDGMENT.]

*The party in whose favor a judgment is given, or the assignee of such judgment, may proceed to enforce the same, at any time within ten years after the entry thereof, or within 20 years after entry if the judgment is for child support, in the manner provided by law."*

Page 42, after line 23, insert:

"Sec. 51. Minnesota Statutes 1992, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or

proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

*(c) An attorney employed by, under contract to, or representing a public authority in connection with a child support enforcement program cannot, without the consent of an individual applying for child support services or the consent of an AFDC recipient whose right to support has been assigned, be examined as to any communication made by the individual applicant or the AFDC recipient to the attorney, or communications made by the attorney to the individual applicant or the AFDC recipient in the course of the attorney's representation of the public authority in connection with a child support enforcement program; nor can an employee of the attorney be examined as to the communication, without the consent of the individual applicant or the AFDC recipient.*

(c) (d) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) (e) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding



force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) (f) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) (g) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) (h) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(h) (i) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) (j) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) (k) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against

the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) (l) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) (m) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) (n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age."

Page 43, line 7, after "SYSTEM" insert "; CENTRAL DEPOSITORY OR OTHER FISCAL AGENT"

Page 43, line 9, after "agencies" insert "*and other persons with relevant expertise*"

Page 43, line 10, after "on" insert ": (1)"

Page 43, line 14, before the period, insert "; and (2) *the feasibility of establishing a central depository or designating a fiscal agent for receipt of child support payments*"

Page 43, line 15, after "system" insert "*and use of a central depository or fiscal agent*"

Page 43, line 16, delete "*the system*" and insert "*them*"

Page 43, after line 28, insert:

"Sec. 56. [ADMINISTRATIVE PROCESS FOR CHILD SUPPORT.]

*The commissioner of human services, in consultation with the commissioner's advisory committee for child support enforcement, shall develop a plan to restructure the administrative process for setting, modifying, and enforcing*

*child support under Minnesota Statutes, section 518.551, subdivision 10. The goal of the plan is to implement a state-administered administrative process that is informal, uniform throughout the state, and accessible to parties without counsel. The commissioner shall report to the legislature by January 15, 1994."*

Page 44, line 8, delete "47 to 49, and 53" and insert "50, 52, 53, and 58"

Page 44, after line 11, insert:

*"(e) The provisions of sections 46 to 49 extending the length of child support judgments from ten years to 20 years apply to judgments entered on or after the effective date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "6," insert "541.04;"

Page 1, line 16, after "3a," insert "550.01;"

Page 1, line 17, after the first semicolon, insert "595.02, subdivision 1;"

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

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

S.F. No. 643: A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, and by adding a subdivision; and 256B.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 514.

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

Page 1, line 23, delete "\$70,740" and insert "prior to July 1, 1994,

(i) \$14,148"

Page 1, line 24, strike "(2)" and insert "(ii)" and strike "60,000" and insert "\$70,740"

Page 1, line 25, strike "(3)" and insert "(iii)"

Page 1, line 26, before the period, insert ";

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse"

Page 2, line 7, delete the new language and insert "this subdivision"

Page 2, lines 11 and 12, delete the new language

Page 2, line 20, delete "\$70,740" and insert "prior to July 1, 1994,

(i) \$14,148"

Page 2, line 21, strike "(2)" and insert "(ii)" and strike "60,000" and insert "\$70,740"

Page 2, line 22, strike "(3)" and insert "(iii)"

Page 2, line 23, before the period, insert ";

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse;  
and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse"

Page 3, line 19, strike from "(a)" through page 3, line 22, to "under"

Page 3, line 23, strike "section 256B.056, subdivision 3," and strike "before or any"

Page 3, line 24, strike from "time" through page 3, line 25, to "or"

Page 3, line 26, strike from "before" through page 3, line 30, to "2" and insert "No person, a person's spouse, nor a person's authorized representative may give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance, any transfer of an asset for less than fair market value may be considered. Any transfer made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose. Any other transfer of an asset for less than fair market value more than 60 months prior to application for medical assistance eligibility may be considered for purposes of determining eligibility"

Page 5, line 3, after "transferred" insert ". In calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance"

Pages 5 and 6, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1992, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.]

(a) An institutionalized person is not ineligible for ~~long-term care~~ *medical assistance* services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of ~~long-term care~~ *medical assistance* services granted ~~within 30 months of the transfer~~ *during the period of ineligibility under subdivision 2* or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 6. Minnesota Statutes 1992, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for ~~long-term care~~ *medical assistance* services if one of the following conditions applies:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets

must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of ~~long-term care~~ *medical assistance services granted within 30 months of the transfer, during the period of ineligibility determined under subdivision 2* or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter."

Page 6, line 27, delete everything after "institution" and insert ". A 'medical institution' is defined as a nursing facility, intermediate care facility, or inpatient hospital."

Page 6, delete line 28

Page 8, after line 14, insert:

*"(e) A medical assistance lien applies only to the specific real property described in the lien notice."*

Page 8, line 24, after the second comma, insert "other than the recipient or recipient's spouse,"

Page 13, line 9, delete "13" and insert "14"

Page 13, line 10, delete everything after the period

Page 13, delete line 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete everything after "2," and insert "3, and 4"

Page 1, line 11, delete "subdivision"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 1209: A bill for an act relating to weights and measures; authorizing the commissioner of public service to set fees without rulemaking; setting fees to cover costs of inspections; regulating oxygenated gasoline records; appropriating money; amending Minnesota Statutes 1992, sections 239.10; and 239.791, subdivisions 6 and 8; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1992, sections 239.05, subdivision 2c; 239.52; and 239.78.

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

Page 2, delete lines 32 to 36

Page 3, delete lines 1 to 6 and insert:

*"Subd. 4. [SETTING WEIGHTS AND MEASURES FEES.] The department shall review its schedule of inspection fees at the end of each six months. When a review indicates that the schedule of inspection fees should be adjusted, the commissioner shall fix the fees by rule, in accordance with section 16A.128, to ensure that the fees charged are sufficient to recover all costs connected with the inspections."*

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 825: A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

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

Page 1, line 13, delete the semicolon and insert a comma

Page 1, line 18, after "1980" insert a comma and delete "1982" and insert "1981"

Page 2, line 33, delete "(b)" and insert "(a)"

Page 3, line 4, after "sum" insert "before December 31, 1993, unless the executive director agrees to accept payment in installments, not to exceed three years. If the executive director agrees to accept installment payments, payments must include interest at a rate determined by the executive director, and payments must begin before December 31, 1993"

Page 3, delete lines 5 and 6

Page 3, line 9, after "the" insert "full"

Page 3, line 13, delete "1" and insert "2"

Page 3, delete section 2 and insert:

"Sec. 2. [LOCAL APPROVAL.]

*Section 1 is effective the day following approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021."*

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. 819: A bill for an act relating to telephone services; prohibiting collection of charges for information services as if they were charges for

telephone services; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 2, line 8, after "*subscriber*" insert "*or spouse*" in both places

Page 2, line 24, delete "*ten-point*" and insert "*12-point*"

Page 2, line 25, after "*letters*" insert "*in a color or shade that readily contrasts with the background*"

Page 2, line 29, after "*CONSENT*" insert "*EXCEPT FOR CALLS MADE BY YOUR SPOUSE*"

Page 3, line 13, before "*Unless*" insert "*The telephone service subscriber shall have the right to direct partial payments of a telephone bill.*"

Page 3, line 16, delete "*local*" and delete "*service*" and insert "*services*"

Page 3, line 17, delete "*then to charges for long distance service,*"

Page 3, after line 18, insert:

*"Subd. 6. [INDEMNITY.] Anyone liable for fraud under this section has a right of indemnity against anyone who has provided it with false information as to the status of information charges.*

*Subd. 7. [INVOLUNTARY BLOCKING.] Anyone who has refused to pay for two months of information charge bills or one month of charges in excess of \$500 may be blocked from access to information services."*

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. 1087: A bill for an act relating to utilities; restricting approval of competitive rate schedules to those that apply to consumers requiring electric service with a connected load of at least 2,000 kilowatts; providing for determination by public utilities commission of competitive rate filings; amending Minnesota Statutes 1992, section 216B.162, subdivisions 2 and 7.

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

Page 1, delete section 1

Page 2, lines 19 to 21, delete the new language

Page 2, line 26, after "*that*" insert "*after consideration of environmental and socioeconomic impacts*"

Page 2, line 27, delete the new language

Renumber the sections in sequence

Amend the title as follows:



Page 1, line 2, delete from "restricting" through page 1, line 5, to "kilowatts;"

Page 1, line 8, delete "subdivisions 2 and" and insert "subdivision"

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. 1477: A bill for an act relating to economic development; abolishing Minnesota Project Outreach Corporation and transferring its duties to Minnesota Technology, Inc.; amending Minnesota Statutes 1992, section 116O.091; repealing Minnesota Statutes 1992, section 116O.092.

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

Page 5, line 6, strike "Subd. 8. [ANNUAL REPORT.] The"

Page 5, strike lines 7 and 8

Page 5, line 9, strike "committees of the legislature, the governor,"

Page 5, line 10, strike "and the University of Minnesota. The report"

Page 5, strike lines 11 to 13

Page 5, after line 18, insert:

"Sec. 2. [MINNESOTA PROJECT OUTREACH CORPORATION.]

*Minnesota Project Outreach Corporation is abolished. Minnesota Technology, Inc. is the legal successor in all respects to Minnesota Project Outreach Corporation established under Minnesota Statutes, section 116O.091. All assets and liabilities of Minnesota Project Outreach Corporation are transferred to Minnesota Technology, Inc."*

Page 5, line 19, delete "2" and insert "3"

Page 5, after line 20, insert:

"Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective July 1, 1993."*

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. 1387: A bill for an act relating to housing; modifying the definition of dwelling for smoke detection devices; amending Minnesota Statutes 1992, section 299F.362, subdivision 1.

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

Page 2, after line 11, insert:

"Sec. 2. Minnesota Statutes 1992, section 299F.362, is amended by adding a subdivision to read:

*Subd. 11. [INSURANCE CLAIMS.] No insurer shall deny a claim for loss or damage by fire for failure of a person to comply with this section."*

Page 2, line 12, delete "2" and insert "3"

Page 2, line 13, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "regulating claims;"

Page 1, line 5, after "1" insert ", and by adding a subdivision"

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. 480: A bill for an act relating to workers' compensation; requiring appointment of guardians and conservators for minors and incapacitated persons; amending Minnesota Statutes 1992, sections 176.091; 176.111, subdivision 5; and 176.521, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 176; and 525.

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

Page 2, line 1, delete "weekly benefits continue or"

Page 2, line 2, delete "are expected to continue for 13 weeks or more" and insert "the employee receives or is eligible for permanent total disability benefits, supplementary benefits, or permanent partial disability benefits or a dependent receives or is eligible for dependency benefits"

Page 2, line 12, after "fund" insert "in a matter involving a claim against the fund"

Page 2, line 17, before the comma, insert "of being notified under this subdivision"

Page 2, line 19, after "commissioner" insert "or a compensation judge"

Page 2, line 20, delete "case" and insert "matter" and after the period, insert "In the case of a minor who is not represented by an attorney, the commissioner shall refer the matter under subdivision 3."

Page 2, line 21, after "When" insert ", in a proceeding before them,"

Page 2, line 26, delete "case" and insert "matter" and after the period, insert "The commissioner has no duty to monitor files at the department but must review a file for referral upon receiving a complaint that an injured employee or dependent is a minor or an incapacitated person without a guardian or conservator."

Page 4, lines 19 and 24, delete "case" and insert "matter"

Page 4, line 35, after "fee" insert "of the employee or dependent"

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

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

S.F. No. 665: A bill for an act relating to housing; providing for a metropolitan community stabilization program; amending Minnesota Statutes 1992, sections 462A.21, by adding a subdivision; and 473.249, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Page 4, line 16, delete "1993 and" and insert "1994."

Page 4, delete line 17

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

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

S.F. No. 788: A bill for an act relating to energy; abolishing certain duties of commissioner of public service relating to energy; amending Minnesota Statutes 1992, sections 216B.241, subdivision 2a; 216C.02, subdivision 1; and 216C.11.

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 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES; GROUND LEVEL EXIT.] A licensed day care center serving fewer than 30 preschool age persons

and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [CHILD CARE FACILITIES IN CHURCHES; VERTICAL ACCESS.] Until August 1, 1996, an organization providing child care in an existing church building which is exempt from taxation under section 272.02, subdivision 1, clause (5), shall have five years from the date of initial licensure under chapter 245A to provide interior vertical access, such as an elevator, to persons with disabilities as required by the state building code. To obtain the extension, the organization providing child care must secure a \$2,500 performance bond with the commissioner of human services to ensure that interior vertical access is achieved by the agreed upon date.

(f) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(g) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(h) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(i) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(j) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(k) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(l) [EXIT SIGN ILLUMINATION.] *For a new building on which construction is begun on or after October 1, 1993, or an existing building on which remodeling affecting 50 percent or more of the enclosed space is begun on or after October 1, 1993, the code must prohibit the use of internally illuminated exit signs whose electrical consumption during nonemergency operation exceeds 20 watts of resistive power with a maximum total power consumption of 40 volt amperes (VA). All other requirements in the code for exit signs must be complied with. Power consumption in volt amperes is the resistive power divided by the power factor.*

Sec. 2. Minnesota Statutes 1992, section 116C.54, is amended to read:

116C.54 [ADVANCE FORECASTING FORECAST REQUIREMENT.]

*Subdivision 1. [REPORT.] Every utility which owns or operates, or plans within the next 15 years to own or operate large electric power generating plants or high voltage transmission lines shall develop forecasts as specified in this section. On or before July 1 of each even-numbered year, every such utility shall submit a report of its forecast to the board. The report may be appropriate portions of a single regional forecast or may be jointly prepared and submitted by two or more utilities and shall contain the following information:*

(1) Description of the tentative regional location and general size and type of all large electric power generating plants and high voltage transmission lines to be owned or operated by the utility during the ensuing 15 years or any longer period the board deems necessary;

(2) Identification of all existing generating plants and transmission lines projected to be removed from service during any 15 year period or upon completion of construction of any large electric power generating plants and high voltage transmission lines;

(3) Statement of the projected demand for electric energy for the ensuing 15 years and the underlying assumptions for this forecast, such information to be as geographically specific as possible where this demand will occur;

(4) Description of the capacity of the electric power system to meet projected demands during the ensuing 15 years;

(5) Description of the utility's relationship to other utilities and regional associations, power pools or networks; and

(6) Other relevant information as may be requested by the board.

On or before July 1 of each odd-numbered year, a utility shall verify or submit revisions to items (1) and (2).

*Subd. 2. [EXCEPTION.] Public electric utilities submitting advance forecasts containing all information specified in subdivision 1 as part of an integrated resource plan filed pursuant to public utilities commission rules shall be excluded from the annual reporting requirement of this section.*

Sec. 3. Minnesota Statutes 1992, section 216B.16, is amended by adding a subdivision to read:

*Subd. 14. [LOW-INCOME CONSIDERATIONS IN SETTING RATES.]*

*The commission may establish rate discounts for low-income residential customers. In setting discounted rates, the commission shall consider: the effect of the rate increase on working poor customers, customers receiving public assistance and other fixed income customers; the impact of the rate increase as a percentage of total income to the low-income residential customer; the potential for the discounted rate to provide savings to the utility for collection and bad debt expenses; and how the increase in the utility rate affects income available for low-income customers to meet other necessities.*

Sec. 4. Minnesota Statutes 1992, section 216C.17, subdivision 3, is amended to read:

*Subd. 3. [DUPLICATION.] The commissioner shall, to the maximum extent feasible, provide that forecasts required under this section be consistent with material required by other state and federal agencies in order to prevent unnecessary duplication. Public electric utilities submitting advance forecasts containing all information specified in section 116C.54, subdivision 1, as part of an integrated resource plan filed pursuant to public utilities commission rules shall be excluded from the annual reporting requirement in subdivision 2.*

Sec. 5. Minnesota Statutes 1992, section 216C.19, subdivision 17, is amended to read:

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

Sec. 6. Minnesota Statutes 1992, section 216C.19, subdivision 19, is amended to read:

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

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

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

*Sec. 7. [216C.211] [PHOTOVOLTAIC ENERGY SYSTEM.]*

*State agencies shall use photovoltaic energy systems to supply electric power loads which are less than 5 kilowatts and more than 100 meters from an available utility connection, unless the life-cycle purchase, installation, operating, and fuel/energy costs of an alternative power supply system can be shown to cost less than those costs for the photovoltaic system.*

Sec. 8. Minnesota Statutes 1992, section 216C.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of public service. Upon passage of legislation creating a body known as the Minnesota public facilities authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" means a detailed engineering analysis of energy-saving improvements to existing buildings or stationary energy-using systems, including (1) modifications to building structures; (2) heating, ventilating, and air conditioning systems; (3) operation practices; (4) lighting; and (5) other factors that relate to energy use. The primary purpose of the engineering analysis is to quantify the economic and engineering feasibility of energy-saving improvements that require capital expenditures or major operational modifications.

(c) "Energy conservation investments" means all capital expenditures that are associated with conservation measures identified in a maxi-audit or energy project study, and that have a ten-year or less payback period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion pay for themselves with energy savings.

(d) "Municipality" means any county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to jointly undertake projects authorized in this section.

(e) "Energy project study" means a study of one or more energy-related capital improvement projects analyzed in sufficient detail to support a financing application. At a minimum, it must include one year of energy consumption and cost data, a description of existing conditions, a description of proposed conditions, a detailed description of the costs of the project, and calculations sufficient to document the proposed energy savings.

Sec. 9. [216C.371] [ENERGY CONSERVATION SELF-LIQUIDATING FINANCING.]

Subdivision 1. [POLICIES.] In order to provide alternative financing methods and sources to assist municipalities in financing energy conservation investments and to accomplish the energy conservation measures of chapter 216C, the commissioner may establish an energy conservation self-liquidating financing program to complement the energy conservation investment loans authorized by section 216C.37.

Subd. 2. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of public service.

(c) "Energy conservation investments" means all capital expenditures that are associated with conservation measures identified in a maxi-audit and that are calculated to have a ten-year or less payback period. A public school district that received a federal institutional building grant in 1984 to convert a heating system to wood or wood waste, and that applies for energy conservation self-liquidating financing to match a federal grant for wood

conversion, may calculate the payback of the expenditure for conversion measures based on the costs of the traditional fuel in use prior to the wood conversion.

(d) "Financing arrangements" means loans, leases, or alternative financing agreements.

(e) "Maxi-audit" means a detailed engineering analysis of energy-saving improvements to existing buildings or stationary energy-using systems including:

- (1) modifications to building structures and envelopes;
- (2) heating, ventilating, and air conditioning systems;
- (3) lighting;
- (4) operating practices; and
- (5) other factors that relate to energy use.

The primary purpose of the engineering analysis is to quantify the economic and engineering feasibility of energy-saving improvements that require capital expenditures or major operational modifications.

(f) "Municipality" means any county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to jointly undertake projects authorized in this section.

**Subd. 3. [ALTERNATIVE FINANCING METHODS.]** (a) In addition to the financing method provided in section 216C.37, the commissioner may enter into financing arrangements with municipalities in order to provide alternative financing methods to pay the costs of energy conservation investments. The financing arrangement may contain provisions for, among others, its interest, term, prepayment, and the obligations of the municipality to make payments on or pursuant to the financing arrangement beyond the current budget year, as may be agreed upon between the commissioner and the municipality.

(b) To fund the commissioner's obligation under this section to assist municipalities in financing energy conservation investments, the commissioner may enter into lease, loan, or other financing agreements:

- (1) to borrow funds to accomplish energy conservation investments; or
- (2) to enable and permit municipalities to borrow from a private financial institution on an independent or joint basis sufficient funds to accomplish energy conservation investments.

**Subd. 4. [MUNICIPALITY FINANCING ARRANGEMENTS.]** (a) A municipality may enter into a financing arrangement with the institution under subdivision 3 and issue obligations evidencing indebtedness necessary to carry out the provisions of this section. Chapter 475 shall not be applicable to this section.

(b) Financing arrangements shall not be made for energy conservation investments that require more than ten years for the municipality to recoup the actual or projected cost of construction and acquisition of the improvements including the cost of the engineering plans and specifications and the cost of arranging the financing.



(c) A municipality must find and determine that the project is economically feasible and that adequate provisions have been made to assure proper and efficient operation of the facility once the project is completed.

(d) A financing arrangement made pursuant to this section must be repayable over a period of not more than ten years from the date funds are advanced under the financing arrangement. Interest shall accrue from the date funds are advanced under the financing arrangement, but the first payment of interest or principal shall not be due until one year after the date on which funds are advanced under the financing arrangement. The principal shall be amortized annually in amounts and on terms as determined by the municipality and interest shall be payable on dates, at least annually, as determined by the municipality.

(e) The governing body of the municipality shall adopt a resolution obligating the municipality to repay the financing arrangement according to the terms in the financing arrangement. The obligation may be payable from money available to it from any specified source. A municipality may pledge its full faith and credit for the payment of its obligations under the financing arrangement.

Subd. 5. [DISCRETIONARY IMPROVEMENTS.] A municipality may elect not to implement an energy conservation investment identified in a maxi-audit if the entity which prepared the maxi-audit demonstrates that the facility or structure which is the subject of the energy conservation investment is unlikely to be used or operated for the full period of the expected payback of the energy conservation measure.

Subd. 6. [APPLICATION.] Application to use the financing method permitted by this section shall be made by a municipality to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

- (1) whether the municipality's proposal is complete;
- (2) whether the project is an energy conservation investment;
- (3) the amount of financing to be undertaken; and
- (4) the means by which the municipality proposes to finance the project under the options permitted by section 216C.37 and this section.

Subd. 7. [APPROVAL.] The commissioner shall approve the application required by subdivision 6, if clauses (1) and (2) of that subdivision have been satisfied.

Subd. 8. [RULES.] The commissioner shall adopt rules necessary to implement this section. The rules must include:

- (1) procedures for applications by municipalities;
- (2) criteria for reviewing financing applications; and
- (3) procedures and guidelines for program monitoring, closeout, and evaluation.

Sec. 10. Minnesota Statutes 1992, section 299F.011, subdivision 4c, is amended to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] *For a new building on which construction is begun on or after October 1, 1993, or an existing building on which remodeling affecting 50 percent or more of the enclosed space is begun on or after October 1, 1993, the uniform fire code must prohibit the use of internally illuminated exit signs whose electrical consumption during none-emergency operation exceeds 20 watts of resistive power with a maximum total power consumption of 40 volt amperes (VA). All other requirements in the code for exit signs must be complied with. Power consumption in volt amperes is the resistive power divided by the power factor.*

Sec. 11. Minnesota Statutes 1992, section 446A.10, subdivision 2, is amended to read:

Subd. 2. [OTHER RESPONSIBILITIES.] (a) The responsibilities for the health care equipment loan program under Minnesota Statutes 1986, section 116M.07, subdivisions 7a, 7b, and 7c; ~~the public school energy conservation loan program under section 216C.37; and the district heating and qualified energy improvement loan program under section 216C.36,~~ are transferred from the Minnesota energy and economic development authority to the Minnesota public facilities authority. The commissioner of public service shall continue to administer the municipal energy grant and loan programs under section 216C.36 ~~and the school energy loan program under section 216C.37~~ until the commissioner of trade and economic development has adopted rules to implement the financial administration of the programs as provided under ~~sections~~ section 216C.36, subdivisions 2, 3b, 3c, 8, 8a, and 11, ~~and 216C.37, subdivisions 4 and 8.~~

(b) Except as otherwise provided in this paragraph, section 15.039 applies to the transfer of responsibilities. The transfer includes 8-1/2 positions from the financial management division of the department of trade and economic development to the community development division of the department of trade and economic development. The commissioner of trade and economic development and the commissioner of public service shall determine which classified and unclassified positions associated with the responsibilities of the grant and loan programs under section 216C.36 and the school energy loan program under section 216C.37 are transferred to the commissioner of public service and which positions are transferred to the commissioner of trade and economic development in order to carry out the purposes of Laws 1987, chapter 386, article 3.

#### Sec. 12. [VENTILATION STANDARDS REPORT.]

*The department of administration, building code division, shall in consultation with the department of public service develop recommended ventilation standards for single family homes to include mechanical ventilation or other types of ventilation standards and report the proposed standards to the legislature by January 15, 1994.*

#### Sec. 13. [REPEALER.]

*Minnesota Statutes 1992, section 216C.36, is repealed.*

*Minnesota Rules, parts 7665.0200; 7665.0210; 7665.0220; 7665.0230; 7665.0240; 7665.0250; 7665.0300; 7665.0310; 7665.0320; 7665.0330; 7665.0340; 7665.0350; 7665.0360; 7665.0370; and 7665.0380, are repealed."*

Delete the title and insert:

"A bill for an act relating to energy; clarifying maximum energy consumption requirements for certain exit lamps; eliminating advance forecast reporting requirements for public electric utilities submitting advance forecasts in an integrated resource plan; updating the municipal energy conservation loan program; eliminating the district heating loan program; amending Minnesota Statutes 1992, sections 16B.61, subdivision 3; 116C.54; 216B.16, by adding a subdivision; 216C.17, subdivision 3; 216C.19, subdivisions 17 and 19; 216C.37, subdivision 1; 299F.011, subdivision 4c; and 446A.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1992, section 216C.36; Minnesota Rules, parts 7665.0200; 7665.0210; 7665.0220; 7665.0230; 7665.0240; 7665.0250; 7665.0300; 7665.0310; 7665.0320; 7665.0330; 7665.0340; 7665.0350; 7665.0360; 7665.0370; and 7665.0380."

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. 913: A bill for an act relating to employment; modifying provisions relating to and renaming the Minnesota council for the blind and the consumer advisory council; establishing a rehabilitation advisory council for the blind; amending Minnesota Statutes 1992, sections 248.10; and 268A.02, subdivision 2.

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

Page 2, line 7, before "*Rehabilitation*" insert "*federal*"

Page 2, line 8, delete "*as amended*" and insert "*Public Law Number 93-112, as amended through December 31, 1992*" and delete everything after the period and insert "*Advisory council members*"

Page 2, line 9, delete "*blind*"

Page 2, line 11, delete "*rehabilitation*"

Page 2, line 12, delete "*for the blind*"

Page 2, line 13, delete "*rehabilitation*" and delete "*for the blind will also*" and insert "*shall*"

Page 2, line 14, delete "*regarding other divisional programs*" and insert "*about programs of the division of services for the blind and visually handicapped*"

Page 2, line 15, delete "*rehabilitation*" and delete "*for the blind shall be*" and insert "*is*"

Page 2, line 16, delete "*persons*" and insert "*members*"

Page 3, line 6, after "*the*" insert "*federal*" and delete "*as amended. The*" and insert "*Public Law Number 93-112, as amended through December 31, 1992. Members of the*"

Page 3, line 7, delete "*rehabilitation*"

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

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 550: A bill for an act relating to agriculture; regulating activities relating to restricted species; creating a restricted species task force; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Page 3, line 26, delete from "*Subd. 3.*" through page 4, line 6, to "*state.*" and insert:

*"Subd. 3. [DUTIES.] The task force shall conduct a study of restricted species in the state and make recommendations concerning the following issues:*

*(1) the economic viability of raising restricted species in the state in a safe manner;*

*(2) health threats, including the spread of diseases posed by restricted species;*

*(3) the ecological threat to the state posed by restricted species;*

*(4) the administrative impact on the departments of agriculture and natural resources if restricted species are permitted in the state;*

*(5) development of a plan to ban restricted species from the state and recommendations for the amount of compensation that is appropriate to pay producers if a ban is enacted into law;*

*(6) a determination of the number of restricted species in the state and their location; and*

*(7) any other factors relative to the costs, benefits, and feasibility of permitting restricted species in the state."*

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

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

S.F. No. 305: A bill for an act relating to crime; authorizing school officials to use reasonable force to prevent the official, a student, or other school officials from suffering substantial or great bodily harm or death; providing criminal and civil immunity for the use of such reasonable force; providing felony penalties for unlawfully possessing a firearm or dangerous weapon on school property or in certain school buses; amending Minnesota Statutes 1992, sections 609.06; 609.066, subdivision 3; and 609.66, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 609.06, is amended to read:  
609.06 [AUTHORIZED USE OF FORCE.]

*Subdivision 1. [WHEN AUTHORIZED.]* Reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

(1) When used by a public officer or one assisting a public officer under the public officer's direction:

- (a) In effecting a lawful arrest; or
- (b) In the execution of legal process; or
- (c) In enforcing an order of the court; or
- (d) In executing any other duty imposed upon the public officer by law; or

(2) When used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or

(3) When used by any person in resisting or aiding another to resist an offense against the person; or

(4) When used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or

(5) When used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or

(6) When used by a parent, guardian, teacher or other lawful custodian of a child or pupil, in the exercise of lawful authority, to restrain or correct such child or pupil; or

(7) When used by a school employee while the employee is engaged in the performance of the employee's official duties, to prevent bodily harm to another; or

(8) When used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or

(9) When used to restrain a mentally ill or mentally defective person from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct or treatment; or

(10) When used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct or treatment of the committed person.

Sec. 2. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

*Subd. 1d. [FELONY; POSSESSION ON SCHOOL PROPERTY.]* (a) Whoever possesses, stores, or keeps a firearm as defined in section 97A.015, subdivision 19, on school property is guilty of a felony and may be sentenced

to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

(b) As used in this subdivision, "school property" means:

(1) an elementary, middle, or secondary school building and its grounds; and

(2) the area within a school bus when that bus is being used to transport one or more elementary, middle, or secondary school students.

(c) This subdivision does not apply to:

(1) licensed peace officers, military personnel, or students participating in military training;

(2) persons who possess or carry pistols according to the terms of a permit;

(3) persons who possess, keep, or store in a motor vehicle pistols in accordance with sections 624.714 and 624.715 or other firearms in accordance with section 97B.045;

(4) firearm safety training courses conducted on school property;

(5) firearm possession by a ceremonial color guard;

(6) a gun show held on school property when school is not in session; or

(7) firearms possessed with written permission of the principal.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1993, and apply to crimes committed and actions commenced on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; authorizing school employees to use reasonable force to prevent bodily harm; providing criminal immunity for the use of such reasonable force; providing felony penalties for unlawfully possessing a firearm on school property or in certain school buses; amending Minnesota Statutes 1992, sections 609.06; and 609.66, by adding a subdivision."

And when so amended the bill be re-referred to the Committee on Crime Prevention without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 403: A bill for an act relating to housing and hotels; amending reasons for innkeeper ejection and refusal to admit persons; establishing parent or guardian responsibility for guests who are minors; establishing liability for damage to hotel or personal property or injury to persons; requiring notice; amending Minnesota Statutes 1992, sections 327.70, subdivision 3, and by adding a subdivision; and 327.73, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 327.

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

Page 2, lines 7 and 34, before "intoxicated" insert "obviously"

Page 2, lines 16 and 20, delete "*which*" and insert "*that*"

Page 3, line 6, delete "*or may*"

Page 3, line 7, delete "*bring in*" and delete "*which*" and insert "*into the hotel that*"

Page 3, lines 11 and 12, delete "*shall have the right to*" and insert "*may*"

Page 3, line 14, delete "*in writing*"

Page 3, line 26, delete "*shall have the right to*" and insert "*may*"

Page 3, line 27, delete "*shall*" and insert "*may*"

Page 3, delete lines 28 to 31

Page 4, line 4, delete "*such*" and insert "*the*"

Page 4, line 6, after "*(b)*" insert "*, if the parent or guardian provides a credit card or an advance cash deposit under section 327.73, subdivision 2, paragraph (b)*"

Page 4, after line 10, insert:

"Sec. 6. Minnesota Statutes 1992, section 327.74, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] A person in a hotel who, by smoking or attempting to light or smoke cigarettes, cigars, pipes, or other smoking material, in any manner in which lighters or matches are used, negligently sets fire to a part of the building, or any furniture or furnishings within the building, so as to endanger life or property in any way or to any extent, is guilty of a gross misdemeanor."

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "increasing the penalty for setting fire to hotel belongings;"

Page 1, line 9, delete "and" and after the second semicolon, insert "and 327.74, subdivision 1;"

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

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

H.F. No. 430: A bill for an act relating to human services; requiring the department of health and human services to develop plans to reduce duplication and paperwork in reviews conducted.

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

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

S.F. No. 1127: A bill for an act relating to metropolitan government; revitalizing and strengthening the metropolitan council's role in metropolitan area transportation and sewer systems planning; abolishing the regional transit

board; creating a new metropolitan transit authority as an agency of the council; providing for the powers, duties, and administration of the metropolitan transit authority; authorizing the council to issue debt for the authority's activities and for transit; providing procedures for design, approval, and construction of light rail transit; abolishing the metropolitan transit commission; creating metro transit as an operating agency of the council; providing for the administration of metro transit; transferring functions of the metropolitan transit commission to metro transit; authorizing the metropolitan council to levy taxes to support metro transit's and the metropolitan transit authority's activities and for debt service; authorizing the commissioner of transportation to construct transit facilities in the metropolitan area with approval of the council; changing the administration of the metropolitan waste control commission; changing obsolete references; amending Minnesota Statutes 1992, sections 6.76; 15.0597, subdivision 1; 15A.081, subdivisions 1 and 7; 174.04; 174.22, by adding a subdivision; 174.23, subdivision 4; 174.24, subdivision 2; 174.32, subdivisions 2 and 3; 252.478, subdivision 2; 352.01, subdivision 2b; 352.75, subdivision 2; 352D.02, subdivision 1; 473.121, subdivision 11, and by adding subdivisions; 473.141, subdivision 2; 473.143; 473.146, subdivisions 1, 2, and 4; 473.1623, subdivision 2; 473.1631; 473.164, subdivision 3; 473.167, subdivision 1; 473.168, subdivision 2; 473.173, subdivisions 3 and 4; 473.181, subdivision 3; 473.223; 473.303, subdivision 4; 473.371, subdivision 1; 473.373, subdivisions 1, 1a, and by adding subdivisions; 473.375, subdivisions 1, 5, 8, 11, 13, and 17; 473.382; 473.384, subdivisions 3 and 7; 473.385, subdivision 2; 473.386, subdivisions 2 and 3; 473.388; 473.39; 473.391; 473.392; 473.399, subdivision 1; 473.3993; 473.3994; 473.3996; 473.3997; 473.3998; 473.405, subdivision 5; 473.4051; 473.408, subdivision 2a; 473.409; 473.415; 473.435; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 3, 7, and 8; 473.503; 473.504, subdivisions 8 and 9; 473.511, subdivision 4; 473.516, subdivisions 2 and 3; 473.517, subdivisions 6, 8, and 9; 473.521, subdivision 4; 473.523; 473.542; 473.543, subdivisions 1, 2, and 4; 473.547; 473.553, subdivision 4; 473.561; 473.595, subdivision 3; 473.811, subdivision 1a; 473.852, subdivision 8; and 629.40, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1992, sections 174.22, subdivision 4; 473.121, subdivisions 14a and 15; 473.141, subdivisions 3, 4, 4a, and 5; 473.153; 473.161; 473.163; 473.373, subdivisions 4a, 5, 6, and 8; 473.375, subdivisions 7, 15, and 16; 473.377; 473.38; 473.384, subdivision 9; 473.388, subdivision 6; 473.399, subdivisions 2 and 3; 473.3991; 473.3994, subdivision 6; 473.404; 473.405, subdivision 2; 473.415, subdivision 1; 473.416; 473.417; 473.418; 473.436, subdivision 7; 473.445; 473.511, subdivision 5; and 473.535; Laws 1991, chapter 291, article 4, section 20.

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

Delete everything after the enacting clause and insert:

#### “ARTICLE I

#### METROPOLITAN AREA TRANSIT REORGANIZATION

Section 1. Minnesota Statutes 1992, section 473.371, subdivision 1, is amended to read:



Subdivision 1. [POLICY.] The legislature finds that, for the provision of essential mobility and transportation options in the metropolitan area, for the encouragement of alternatives to the single-occupant vehicle and for the development of transportation service designed to meet public needs efficiently and effectively, there is a need for the creation of ~~regional metropolitan~~ transit programs and agencies with the powers and duties prescribed by law.

Sec. 2. Minnesota Statutes 1992, section 473.373, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To carry out the policy and achieve the goals of section 473.371 ~~there is established a regional metropolitan transit board authority is established~~ as a public corporation and a political subdivision of the state. ~~Except as provided in this section, the board is~~ It is organized, structured, and administered as provided in ~~this section 473.141.~~

Sec. 3. Minnesota Statutes 1992, section 473.373, subdivision 1a, is amended to read:

Subd. 1a. [DUTIES OF THE BOARD TRANSIT AUTHORITY.] (a) The duties of the ~~board metropolitan transit authority~~ are:

(1) to foster effective delivery of existing transit services and encourage innovation in transit service;

(2) to increase transit service in suburban areas;

(3) to prepare implementation and financial plans for the metropolitan transit system *consistent with the transit policies and plans of the metropolitan council*;

(4) to ~~set policies and standards for implementing the transit policies and programs of the state and the transit policies of the metropolitan council in the metropolitan area~~;

(5) to advise and work cooperatively with local governments, regional rail authorities, and other public agencies, transit providers, developers, and other persons in order to coordinate all transit modes and to increase the availability of transit services;

(6) (5) to conduct transit research and evaluation; and

(7) (6) to administer state and metropolitan transit subsidies.

(b) The ~~board transit authority~~ shall arrange with others for the delivery and provision of transit services and facilities. To the greatest extent possible, the ~~board transit authority~~ shall avoid direct operational planning, administration, and management of specific transit services and facilities.

(c) The ~~board transit authority~~ shall advise the council, the council's transportation advisory board, the department of transportation, political subdivisions, and private developers on the transit aspects and effects of proposed transportation plans and development projects and on methods of improving the coordination, availability, and use of transit services as part of an efficient and effective overall transportation system.

Sec. 4. Minnesota Statutes 1992, section 473.373, is amended by adding a subdivision to read:

*Subd. 9. [CHIEF ADMINISTRATOR.] The metropolitan council shall appoint the chief administrator of the transit authority. The chief administrator shall be chosen on the basis of training, experience, and other qualifications and shall serve at the pleasure of the council at the salary rate set by the council. The chief administrator shall have the following powers and duties:*

*(a) adopt measures the administrator considers necessary to enforce or carry out the powers and duties of the transit authority, or to efficiently administer the affairs of the transit authority;*

*(b) adopt a personnel code, appoint and remove, on the basis of merit and fitness, all regular employees of the transit authority;*

*(c) prepare and submit for council approval the capital and operating budgets of the transit authority, and other financial information, operations plans, and service plans as the council may require; and*

*(d) annually submit a report to the council detailing the transit authority's activities and finances for the previous year.*

Sec. 5. Minnesota Statutes 1992, section 473.373, is amended by adding a subdivision to read:

*Subd. 10. [EMPLOYEES.] All persons regularly employed by the regional transit board immediately prior to the effective date of this act become employees of the metropolitan transit authority on the effective date of this act, retain all rights to which they are entitled by contract or law, and continue in the same retirement or pension system to which they belonged before the effective date of this act. The employees shall perform duties as may be prescribed by the transit authority. Section 473.141, subdivision 12, continues to apply to the transit authority. A person who was an employee of the metropolitan transit commission on July 1, 1984, who subsequently became an employee of the regional transit board, and who becomes an employee of the metropolitan transit authority has the option of continued coverage under chapter 353.*

Sec. 6. Minnesota Statutes 1992, section 473.373, is amended by adding a subdivision to read:

*Subd. 11. [PROPERTY; CONTRACTS.] On the effective date of this act, the metropolitan transit authority succeeds to and becomes vested with all right, title, and interest in and to any property owned and any contracts held by the regional transit board.*

Sec. 7. Minnesota Statutes 1992, section 473.375, subdivision 1, is amended to read:

~~Subdivision 1. [GENERAL.] The transit board has the power and duties imposed by law. The exercise of any powers by the board transit authority must be consistent with the exercise by the metropolitan council of any of its powers.~~

Sec. 8. Minnesota Statutes 1992, section 473.375, subdivision 5, is amended to read:

~~Subd. 5. [INSURANCE.] The board transit authority may procure insurance in the amounts it considers necessary against the liability of the board transit authority or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter~~

466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Sec. 9. Minnesota Statutes 1992, section 473.375, subdivision 8, is amended to read:

Subd. 8. [GIFTS; GRANTS.] The ~~board~~ *transit authority* may apply for, accept and disburse gifts, grants, or loans from the United States, the state, or from any person on behalf of itself or any of its contract recipients, for any of its purposes. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of money or property received therefrom according to the terms of the gift, grant, or loan. The ~~board~~ *transit authority* may not be a recipient of federal operating or capital assistance distributed by formula or block grant.

~~No political subdivision within the metropolitan area may apply for federal transit assistance unless its application has been submitted to and approved by the board.~~

Sec. 10. Minnesota Statutes 1992, section 473.375, subdivision 11, is amended to read:

Subd. 11. [RIDESHARING.] ~~Upon certification by the board, after June 30, 1985, that it has adopted an approved interim implementation plan and is ready to assume responsibilities for the program, the board shall assume the responsibilities identified by the board that are imposed on the commissioner of transportation, the metropolitan council, or the transit commission pursuant to section 174.257 and other applicable provisions of law. The transit authority shall provide for the establishment and implementation of a ridesharing program in the metropolitan area, except for the statewide vanpool leasing program conducted by the commissioner of transportation. The commissioner, the council, and the commission metro transit shall cooperate with the board in the transfer of these duties and transit authority in the conduct of ridesharing activities in areas where the commissioner's programs and the board's transit authority's program overlap. The board shall establish a rideshare advisory committee to advise it in carrying out the program. The board transit authority may contract for services in operating the program.~~

Sec. 11. Minnesota Statutes 1992, section 473.375, subdivision 13, is amended to read:

Subd. 13. [FINANCIAL ASSISTANCE.] The ~~board~~ *transit authority* may provide financial assistance to ~~the commission metro transit~~ and other providers as provided in sections 473.371 to 473.449 in furtherance of and in conformance with the implementation plan of the ~~board~~. The ~~board~~ *transit authority* may not use the proceeds of bonds issued by the council under section 473.39 to provide capital assistance to private, for-profit operators of public transit.

Sec. 12. Minnesota Statutes 1992, section 473.375, subdivision 17, is amended to read:

Subd. 17. [AUDIT.] The board must be audited at least once each year. The board may elect to be audited by a certified public accountant or by the state auditor. If the board chooses the state auditor, the state auditor shall audit, either directly or by subcontract, the ~~board's~~ *transit authority's* financial accounts and affairs at least once each year. The information in the audit must be contained in the annual report and distributed in accordance with section

473.445, subdivision 3. The ~~board~~ transit authority shall pay the total cost of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received for the state audits must be deposited in the general fund.

**Sec. 13. [473.381] [AUTHORITY BUDGET.]**

*Subdivision 1. [REQUIREMENT.] The metropolitan transit authority shall prepare a proposed budget by August 1 of each year. The budget shall include the proposed budget for metro transit and, in the detail and form prescribed by the council, must show for each year:*

*(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;*

*(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; and*

*(3) the estimated source and use of pass-through funds.*

*Subd. 2. [PROCEDURE; APPROVAL OF COUNCIL.] As early as practicable before August 15 of each year, the transit authority shall hold a public hearing on a draft of the proposed budget. Along with the draft, the transit authority shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the transit authority's budget. Not less than 14 days before the hearing, the transit authority shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the transit authority shall publish a report of the hearing that summarizes the comments received and the transit authority's response. The proposed budget must be submitted to the council by August 15 of each year for review and approval by the council. The council shall act to approve or disapprove by October 1 of each year. The council may approve or disapprove in whole or in part and may attach conditions to its approval. Before December 15 of each year the transit authority shall by resolution adopt a final budget. The transit authority shall file its final budget with the council on or before December 20 of each year. The council shall file the budget with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.*

*Subd. 3. [EFFECT.] Except in an emergency, for which procedures must be established by the council, the transit authority and its officers, agents, and employees may not spend money for any purpose, without an appropriation by the transit authority, and no obligation to make an expenditure is enforceable except as the obligation of the person or persons incurring it. The transit authority may amend the budget with council approval at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued by the council for a specific purpose.*

*Subd. 4. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each even-numbered year the transit authority shall prepare a*

*financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the transit authority during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The transit authority shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part.*

Sec. 14: Minnesota Statutes 1992, section 473.382, is amended to read:

473.382 [LOCAL PLANNING AND DEVELOPMENT PROGRAM.]

~~In preparing and amending its implementation plan pursuant to section 473.377,~~ The transit board authority shall establish a program to ensure participation by representatives of local government units and the coordination of the planning and development of transit by local government units. The board transit authority shall encourage the establishment of local transit planning and development boards by local governments for the purpose of:

(a) assisting and advising the transit board authority in preparing the implementation plan, including the identification of service needs and objectives;

(b) preparing, or advising and assisting local units of government in preparing the transit study and service plan required by section 473.384;

(c) preparing or advising the transit board authority in the review of applications for assistance under section 473.384.

The board transit authority may provide local boards with whatever assistance it deems necessary and appropriate.

Sec. 15. Minnesota Statutes 1992, section 473.384, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS.] The board transit authority shall establish procedures and standards for review and approval of applications for financial assistance under this section consistent with its approved implementation plan. An applicant must provide the board transit authority with the financial and other information the board transit authority requires to carry out its duties. The board transit authority may specify procedures, including public hearing requirements, to be followed by applicants that are cities, towns, or counties or combinations thereof in conducting transit studies and formulating service plans under subdivisions 4 and 5.

Sec. 16. Minnesota Statutes 1992, section 473.384, subdivision 7, is amended to read:

Subd. 7. [MTC METRO TRANSIT IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient, other than the metro transit commission, the board transit authority shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission metro transit. A copy of the assessment must be provided to the commission metro transit chief administrator. The board transit authority may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission metro transit. The requirements of this subdivision do not apply to contracts for assistance to recipients who, as part of a negotiated

cost-sharing arrangement with the ~~board~~ *transit authority*, pay a substantial part of the cost of services that directly benefit the recipient as an institution or organization.

Sec. 17. Minnesota Statutes 1992, section 473.385, subdivision 2, is amended to read:

Subd. 2. [SERVICE AREAS.] The ~~regional~~ *metropolitan transit board authority* may provide financial assistance (whether directly or through another entity) to private, for-profit operators of public transit only for the following services:

- (1) services that are not regular route services;
- (2) regular route services provided on June 2, 1989, by a private, for-profit operator under contract with the ~~board~~ *predecessor agency of the transit authority* or under a certificate of convenience and necessity issued by the transportation regulation board;
- (3) regular route services outside of the fully developed service area that are not operated on June 2, 1989, by the ~~commission~~ *predecessor agency of metro transit*;
- (4) regular route services provided under section 473.388;
- (5) regular route services to recipients who, as part of a negotiated cost-sharing arrangement with the ~~board~~ *transit authority*, pay at least 50 percent of the cost of the service that directly benefits the recipient as an institution or organization; or
- (6) regular route services that the ~~board~~ *transit authority* and the ~~commission~~ *metro transit* agree are not or will not be operated for a reasonable subsidy by the ~~commission~~ *metro transit*.

Sec. 18. Minnesota Statutes 1992, section 473.386, subdivision 2, is amended to read:

Subd. 2. [SERVICE CONTRACTS; MANAGEMENT; TRANSPORTATION ACCESSIBILITY ADVISORY COMMITTEE.]

- (a) The ~~board~~ *transit authority* shall contract for services necessary for the provision of special transportation. All transportation service must be provided under a contract between the ~~board~~ *transit authority* and the provider which specifies the service to be provided, the standards that must be met, and the rates for operating and providing special transportation services.
- (b) The ~~board~~ *transit authority* shall establish management policies for the service but shall contract with a service administrator for day-to-day administration and management of the service. The contract must delegate to the service administrator clear authority to administer and manage the delivery of the service pursuant to ~~board~~ *transit authority* management policies and must establish performance and compliance standards for the service administrator.
- (c) The ~~board~~ *transit authority* shall ensure that the service administrator establishes a system for registering and expeditiously responding to complaints by users, informing users of how to register complaints, and requiring providers to report on incidents that impair the safety and well-being of users or the quality of the service. The ~~board~~ *transit authority* shall annually report to the commissioner of transportation and the legislature on complaints and

provider reports, the response of the service administrator, and steps taken by the ~~board transit authority~~ and the service administrator to identify causes and provide remedies to recurring problems.

(d) Within 90 days following August 1, 1987, the board shall hold a public hearing on standards for provider eligibility, selection, performance, compliance, and evaluation; the terms of provider contracts and the contract with the service administrator and related contract management policies and procedures of the board; fare policies; service areas, hours, standards, and procedures; and similar matters relating to implementation of the service. Each year before renewing contracts with providers and the service administrator, the ~~board transit authority~~ shall provide an opportunity for the transportation accessibility advisory committee, users, and other interested persons to testify before the board concerning providers, contract terms, and other matters relating to ~~board the transit authority's~~ policies and procedures for implementing the service.

(e) The ~~board transit authority~~ shall establish a transportation accessibility advisory committee. The transportation accessibility advisory committee must include elderly and handicapped persons, other users of special transportation service, representatives of persons contracting to provide special transportation services, and representatives of appropriate agencies for elderly and handicapped persons to advise the ~~board transit authority~~ on management policies for the service. At least half the transportation accessibility advisory committee members must be disabled or elderly persons or the representatives of disabled or elderly persons. Two of the appointments to the transportation accessibility advisory committee shall be made by the council on disability in consultation with the chair of the regional transit board.

Sec. 19. Minnesota Statutes 1992, section 473.386, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF BOARD.] In implementing the special transportation service, the ~~board transit authority~~ shall:

(a) encourage participation in the service by public, private, and private nonprofit providers of special transportation currently receiving capital or operating assistance from a public agency;

(b) contract with public, private, and private nonprofit providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) encourage individuals using special transportation to use the type of service most appropriate to their particular needs;

(d) ensure that all persons providing special transportation service receive equitable treatment in the allocation of the ridership;

(e) encourage shared rides to the greatest extent practicable;

(f) encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with this service and to allow reimbursement for transportation provided through the service at rates that reflect the public cost of providing that transportation;

(g) establish criteria to be used in determining individual eligibility for special transportation services;

(h) consult with the transportation accessibility advisory committee in a timely manner before changes are made in the provision of special transportation services, including, but not limited to, changes in policies affecting the matters subject to hearing under subdivision 2;

(i) provide for effective administration and enforcement of board transit authority policies and standards; and

(j) annually evaluate providers of special transportation service to ensure compliance with the standards established for the program.

Sec. 20. Minnesota Statutes 1992, section 473.388, is amended to read:

473.388 [REPLACEMENT SERVICE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] A replacement service program is established to continue the metropolitan transit service demonstration program established in Minnesota Statutes 1982, section 174.265, as provided in this section.

Subd. 2. [REPLACEMENT SERVICE; ELIGIBILITY.] The transit board authority may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) is located in the metropolitan transit taxing district;

(b) is not served by the metro transit commission or is served only with metro transit commission bus routes which begin or end within the applying city or town or combination thereof; and

(c) has fewer than four scheduled runs of metropolitan metro transit commission bus service during off-peak hours defined in section 473.408, subdivision 1.

Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

The board transit authority may not provide assistance under this section to a statutory or home rule charter city or town unless the city or town;

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265 by July 1, 1984;

(ii) had submitted an application for assistance under that section by July 1, 1984, or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it has notified the board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town this section by January 1, 1993.

Subd. 3. [APPLICATION FOR ASSISTANCE.] An application for assistance under this section must:

(a) describe the existing service provided to the applicant by the metro transit commission, including the estimated number of passengers carried and the routes, schedules, and fares;



(b) describe the transit service proposed for funding under the demonstration program, including the anticipated number of passengers and the routes, schedules, and fares; and

(c) indicate the total amount of available local transit funds, the portion of the available local transit funds proposed to be used to subsidize replacement services, and the amount of assistance requested for the replacement services.

Subd. 4. [FINANCIAL ASSISTANCE.] The ~~board~~ transit authority may grant the requested financial assistance if it determines that the proposed service is consistent with the ~~approved implementation plan~~ transit authority's plans and is intended to replace the service to the applying city or town or combination thereof by the ~~metro transit commission~~ and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

The amount of assistance which the ~~board~~ transit authority may provide under this section may not exceed the sum of:

(a) the portion of the available local transit funds which the applicant proposes to use to subsidize the proposed service; and

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of financial assistance to the ~~metro transit commission~~ bears to the total amount of taxes collected by the ~~board council~~ under section 473.446. The ~~board~~ transit authority shall pay the amount to be provided to the recipient from the assistance the ~~board~~ transit authority would otherwise pay to the ~~metro transit commission~~.

For purposes of this section, "available local transit funds" means 90 percent of the tax revenues which would accrue to the ~~board council~~ from the tax it levies under section 473.446 in the applicant city or town or combination thereof.

For purposes of this section, "tax revenues" in the city or town means the sum of the following:

(1) the nondebt spread levy, which is the total of the taxes extended by application of the local tax rate for nondebt purposes on the taxable net tax capacity;

(2) the portion of the fiscal disparity distribution levy under section 473F.08, subdivision 3, attributable to nondebt purposes; and

(3) the portion of the homestead credit and agricultural credit aid and disparity reduction aid amounts under section 273.1398, subdivisions 2 and 3, attributable to nondebt purposes.

Tax revenues do not include the state feathering reimbursement under section 473.446.

Subd. 5. [OTHER ASSISTANCE.] A city or town receiving assistance under this section may also receive assistance from the ~~board~~ under section 473.384. In applying for assistance under that section an applicant must describe the portion of the available local transit funds which are not obligated to subsidize replacement service and which the applicant proposes to use to subsidize additional service. An applicant which has exhausted its available

local transit funds may use any other local subsidy funds to complete the required local share.

Subd. 6. [ASSUMPTION OF PROGRAM.] The board shall certify to the commissioner of transportation when it has adopted an approved interim implementation plan and is ready to assume responsibility for the metropolitan transit service demonstration program administered by the commissioner under Minnesota Statutes 1982, section 174.265. On receipt of the certification the commissioner shall make no further contracts under that program and shall assign all contracts then in effect under that program to the board, and the contracts at that time become obligations of the board.

Sec. 21. Minnesota Statutes 1992, section 473.39, is amended to read:

473.39 [BORROWING MONEY.]

Subdivision 1. [GENERAL AUTHORITY.] The council, if requested by vote of at least two-thirds of all of the members of the transit board the chief administrator of the transit authority, may issue general obligation bonds subject to the volume limitations in this section to provide funds to the board transit authority for expenditure to implement the board's approved implementation plan transit authority's plans and programs and may issue general obligation bonds not subject to the limitations for the refunding of outstanding bonds or certificates of indebtedness of the council, the board or the commission predecessor agency of the transit authority, or the predecessor agency of metro transit, and for judgments against the board transit authority or the commission metro transit. The council may not unreasonably withhold the issuance of obligations for an implementation plan that has been approved by the council. The council may not issue obligations pursuant to this subdivision, other than refunding bonds, in excess of the amount specifically authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall provide for the issuance, sale, and security of the bonds in the manner provided in chapter 475, and has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the net debt limitations in chapter 475 do not apply to the bonds. The obligations are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. Neither the state, nor any municipality or political subdivision except the council and board, nor any member or officer or employee of the board transit authority or council, is liable on the obligations. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1, clause (c). The council shall certify to the transit board before October 1 of each year the amounts necessary to provide full and timely payment of the obligations. As part of its levy made under section 473.446, subdivision 1, clause (c), the board council shall levy the amounts certified by the council and transfer the proceeds to the council for payment of the obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness.

Subd. 1a. [OBLIGATIONS.] (a) After August 1, 1989, The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$26,000,000 for financial assistance to the commission, as prescribed in the implementation and capital plans of the board and the capital program of the commission metro transit.

(b) After August 1, 1989, The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$4,700,000 for other *transit-related* capital expenditures as ~~prescribed in the implementation and capital plans of the board.~~

(c) ~~The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this section available to all transit providers on a nondiscriminatory basis, as the board defines these terms.~~

(d) The limitation contained in this subdivision does not apply to refunding bonds issued by the council.

Subd. 1b. [ADDITIONAL OBLIGATIONS; 1993-1996.] The council may also issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$62,000,000, of which \$44,000,000 may be used by ~~the commission~~ *metro transit* for fleet replacement, facilities, and capital equipment, and \$18,000,000 may be used by the ~~board~~ *transit authority* for transit hubs, park-and-ride lots, community-based transit vehicles and replacement service program vehicles, and intelligent vehicle highway systems projects, and related costs including the cost of issuance and sale of the obligations. The council may issue \$32,000,000 of the total amount authorized under this subdivision during fiscal biennium ending 1993, \$30,000,000 during fiscal biennium ending 1995.

Subd. 2. [LEGAL INVESTMENTS.] Certificates of indebtedness, bonds, or other obligations issued by the council to which tax levies have been pledged pursuant to section 473.446, are proper for investment of any funds by a bank, savings bank, savings and loan association, credit union, trust company, insurance company, or public or municipal corporation; and may be pledged by any bank, savings bank, savings and loan association, credit union, or trust company as security for the deposit of public money.

Sec. 22. Minnesota Statutes 1992, section 473.391, is amended to read:

473.391 [ROUTE PLANNING AND SCHEDULING.]

The ~~regional transit board~~ *metropolitan transit authority* shall contract with the ~~metropolitan metro transit commission~~ or other operators or local governments for route planning and scheduling services in any configuration of new or reconfiguration of existing transit services and routes, including route planning and scheduling necessary for the test marketing program, the service bidding program, and the interstate highway described in section 161.123, clause (2), commonly known as I-394. Route planning and scheduling is subject to ~~the transit authority's approval by the board~~ for conformity to ~~with the board's transit implementation authority's plans and route, schedule, and other service standards, objectives, and policies established by the board.~~

Sec. 23. Minnesota Statutes 1992, section 473.392, is amended to read:

473.392 [SERVICE BIDDING.]

The ~~regional transit board~~ *metropolitan transit authority* may competitively bid transit service only in accordance with standards, procedures, and guidelines adopted by ~~resolution of the board~~ *chief administrator*. The ~~board~~ *transit authority* shall establish a project management team to assist and

advise the ~~board~~ transit authority in developing and implementing standards, procedures, and guidelines. The project management team must include representatives of the ~~metropolitan metro transit commission~~, the Amalgamated Transit Union Local 1005, private operators, local governments, and other persons interested in the subject. At least 60 days before adopting any standards, procedures, or guidelines for competitive bidding of transit service, the ~~board~~ transit authority shall hold a public hearing on the subject. The ~~board~~ transit authority shall publish notice of the hearing in newspapers of general circulation in the metropolitan area not less than 15 days before the hearing. At the hearing all interested persons must be afforded an opportunity to present their views orally and in writing. Following the hearing, and after considering the testimony, the ~~board~~ chief administrator shall revise and adopt the standards, procedures, and guidelines.

Sec. 24. [473.4041] [METRO TRANSIT.]

*Subdivision 1. [ESTABLISHMENT.] Metro transit is established as a public corporation and political subdivision of the state.*

*Subd. 2. [CHIEF ADMINISTRATOR.] (a) The metropolitan council shall appoint the chief administrator of metro transit after consultation with the chief administrator of the transit authority. The chief administrator must be chosen on the basis of training, experience, and other qualifications and shall serve at the pleasure of the council at the salary rate set by the council.*

*(b) The chief administrator has the powers and duties:*

*(1) to adopt measures the administrator considers necessary to enforce or carry out the powers and duties of metro transit, or necessary for the efficient administration of the affairs of metro transit;*

*(2) subject to the personnel code adopted by the council for metro transit, to appoint and remove on the basis of merit and fitness all regular employees of metro transit;*

*(3) to prepare and submit to the transit authority for council approval the capital and operating budgets of metro transit, and other financial information, operations plans, implementation plans, and service plans as the transit authority may require; and*

*(4) to submit annually a report to the transit authority and the council detailing metro transit's activities and finances for the previous year.*

*Subd. 3. [EMPLOYEES.] On July 1, 1993, all persons regularly employed by the metropolitan transit commission on June 30, 1993, are employees of metro transit, retain all rights to which they are entitled by contract or law, and continue in the same retirement or pension system to which they belonged before July 1, 1993. These employees shall perform duties as may be prescribed by metro transit. Section 473.141, subdivision 12, continues to apply to metro transit. Metro transit shall continue to perform the employer responsibilities of its predecessor agency as specified in Minnesota Statutes 1992, sections 473.417 and 473.418, as applicable.*

*Subd. 4. [PROPERTY; CONTRACTS.] On July 1, 1993, metro transit succeeds to and is vested with all right, title, and interest in and to any property, real or personal, owned or operated by and any contracts held on June 30, 1993, by its predecessor agency, the metropolitan transit commission.*

Sec. 25. Minnesota Statutes 1992, section 473.405, subdivision 5, is amended to read:

Subd. 5. [ACQUISITION OF TRANSIT SYSTEMS.] ~~The commission~~ *Metro transit* may acquire by purchase, lease, gift, or condemnation proceedings any existing public transit system or any part thereof, including all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses, patents, permits and papers, documents and records belonging to any operator of a public transit system within the metropolitan area, and may in connection therewith assume any or all liabilities of any operator of a public transit system. ~~The commission~~ *Metro transit* may not acquire any existing public transit system until the acquisition has been approved by the transit board authority and the metropolitan council. ~~The commission~~ *Metro transit* may take control of and operate a system immediately following the filing and approval of the initial petition for condemnation, if ~~the commission~~ *metro transit*, in its discretion, determines this to be necessary, and may take possession of all right, title and other powers of ownership in all properties and facilities described in the petition. Control must be taken by ~~resolution~~ *order of the chief administrator* which is effective upon service of a copy on the condemnee and the filing of the ~~resolution~~ *order* in the condemnation action. In the determination of the fair value of the existing public transit system, there must not be included any value attributable to expenditures for improvements made by ~~the metro transit commission~~.

~~The commission~~ *Metro transit* may continue or terminate within three months of acquisition any advertising contract in existence by and between any advertiser and a transit system that ~~the commission~~ *metro transit* has acquired. If ~~the commission~~ *metro transit* determines to terminate the advertising contract, it shall acquire all of the advertiser's rights under the contract by purchase or eminent domain proceedings as provided by law.

Sec. 26. Minnesota Statutes 1992, section 473.408, subdivision 2a, is amended to read:

Subd. 2a. [REGULAR ROUTE FARES.] ~~The board transit authority~~ shall establish and enforce uniform fare policies for regular route transit in the metropolitan area. The policies must be stated in the board's three-year transit service ~~implementation and financing plan~~. The policies must be consistent with the requirements of this section and the council's transportation policy plan. ~~The commission~~ *Metro transit* and other operators shall charge a base fare and any surcharges for peak hours and distance of service in accordance with the policies prescribed in the ~~approved implementation plan of the transit board~~ *by the transit authority*. ~~The commission~~ *Metro transit* and other operators shall submit their fare schedules to the ~~board transit authority~~ for approval.

Sec. 27. Minnesota Statutes 1992, section 473.409, is amended to read:

473.409 [AGREEMENTS WITH COMMISSION TRANSIT AUTHORITY; ENCOURAGEMENT OF TRANSIT USE.]

A state department or agency, including the legislative branch, any local governmental unit, the metropolitan council, or other metropolitan agency may enter into an agreement with ~~the metro transit commission~~ and other operators for the purpose of encouraging the use of transit by its employees residing in the metropolitan area. The agreement may provide for, among

other things: (a) the advance purchase of tokens, tickets or other devices from the ~~commission~~ *metro transit* or other operator for use in lieu of fares on vehicles operated by the ~~commission~~ *metro transit* or other operator; and (b) special transit service for employees to and from their place of employment, at fares to be agreed upon by the contracting parties. The tokens, tickets, or other devices or services may be made available to employees at reduced rates. Any such agreement and arrangement by a state department or agency shall be submitted to the commissioner of administration for approval before execution. Any operating deficits or subsidy resulting from such agreements shall be assumed by the contracting department, agency, governmental unit, or council, ~~or other commission~~, unless otherwise provided in an agreement approved by the transit ~~board~~ *authority*.

Sec. 28. Minnesota Statutes 1992, section 473.415, is amended to read:

#### 473.415 [LABOR PROVISIONS.]

Subdivision 1. If the ~~commission~~ *metro transit* acquires an existing transit system, the ~~commission~~ *metro transit* shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the ~~commission~~ *metro transit* shall be transferred to and appointed as employees of the ~~commission~~ *metro transit* for the purposes of the transit system, subject to all the rights and benefits of sections 473.404 to 473.449. Such employees shall be given seniority credit and sick leave, vacation, insurance, and pension credits in accordance with the records or labor agreements from the acquired transit system. The ~~commission~~ *metro transit* shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The ~~commission~~ *metro transit* and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the ~~commission~~ *metro transit* and the participating employees through their representatives. No employee of any acquired system who is transferred to a position with the ~~commission~~ *metro transit* shall by reason of such transfer be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than the employee enjoyed as an employee of such acquired system.

Subd. 2. For any employees of the ~~commission~~ *metro transit* who were previously transferred to and appointed as employees of the former *metropolitan transit* commission upon completion of acquisitions of transit systems which occurred prior to the effective date of Laws 1978, chapter 538 July 1, 1978, the provisions of Laws 1978, chapter 538 shall replace the provisions of subdivision 1 relating to the pension obligations which the ~~commission~~ *metro transit* is required to assume, and the pension or retirement plan and pension trust funds which the ~~commission~~ *metro transit* is required to establish, maintain, and administer. Upon compliance with the applicable provisions of Laws 1978, chapter 538, ~~the by the former metropolitan transit commission~~, *metro transit* shall not be deemed to have placed any employee of the ~~commission~~ *metro transit* who was previously transferred to and appointed as an employee of the *metropolitan transit* commission upon completion of acquisitions of transit systems which occurred prior to the

effective date of Laws 1978, chapter 538 July 1, 1978, in any worse position with respect to pension and related benefits than the employee of the ~~commission metro transit~~ enjoyed as an employee of the acquired existing transit system.

Subd. 3. For any employees of the ~~commission metro transit~~ who are transferred to and appointed as employees of the ~~commission metro transit~~ upon completion of acquisitions of transit systems which occur subsequent to the effective date of Laws 1978, chapter 538 July 1, 1978, those employees shall be governed by the provisions of Laws 1978, chapter 538 unless the acquisition of the transit system which employed them immediately preceding the acquisition included the acquisition of a pension trust fund under the joint control of the acquired system and the participating employees through their representatives.

Sec. 29. Minnesota Statutes 1992, section 473.435, is amended to read:

473.435 [FINANCE.]

Subdivision 1. [BUDGET.] In furtherance of and in conformance with the ~~implementation plan plans~~ of the transit board authority, the metro transit ~~commission~~ each year shall prepare an annual budget, at the time, in the form, and containing the information prescribed by the board authority, and, after holding a public hearing on the budget, shall submit the budget to the board for review and approval or disapproval transit authority for incorporation in the transit authority's proposed budget and for transmittal to the metropolitan council. The board council may approve or disapprove the budget in whole or in part. The board and may attach conditions to its approval. The board shall approve elements that the board determines are in conformance with the board's implementation plan and budget and shall disapprove elements that the board determines are not in conformance with the board's implementation plan and budget. The board transit authority shall return the budget to the ~~commission metro transit~~, with comments indicating the reasons for any council disapproval. If necessary, the ~~commission metro transit~~ shall make any appropriate amendments and resubmit the budget to the board council for approval or disapproval.

Subd. 2. [AUDIT.] The ~~commission Metro transit~~ must be audited at least once each year. The ~~commission Metro transit~~ may elect to be audited by a certified public accountant or by the state auditor. If the ~~commission metro transit~~ chooses the state auditor, the state auditor shall make an audit, either directly or by subcontract, of the ~~commission's metro transit's~~ financial accounts and affairs at least once each year. Copies of the auditor's report shall be filed and kept open to public inspection in the offices of the secretary of the ~~commission metro transit~~, the board transit authority, and the secretary of state. The information in the audit shall be contained in the metro transit's annual report and distributed in accordance with section 473.445. The ~~commission Metro transit~~ shall pay the total cost of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received for the state audits must be deposited in the general fund.

Sec. 30. Minnesota Statutes 1992, section 473.436, subdivision 6, is amended to read:

Subd. 6. [TEMPORARY BORROWING.] On or after the first day of any fiscal year, ~~the commission metro transit~~ may borrow money which may be used or expended by ~~the commission metro transit~~ for any purpose, including but not limited to current expenses, capital expenditures and the discharge of any obligation or indebtedness of ~~the commission metro transit~~. The indebtedness must be represented by a note or notes which may be issued from time to time in any denomination and sold at public or private sale pursuant to a ~~resolution~~ *an order of the chief administrator* authorizing the issuance. The ~~resolution~~ *order* must set forth the form and manner of execution of the notes and shall contain other terms and conditions the ~~commission~~ *chief administrator* deems necessary or desirable to provide security for the holders of the notes. The note or notes are payable from committed or appropriated money from taxes, grants or loans of the state or federal government made to ~~the commission metro transit~~, or other revenues of ~~the commission metro transit~~, and the money may be pledged to the payment of the notes. ~~The commission Metro transit~~ is authorized to pledge to the payment of the note or notes taxes levied by the ~~regional transit board metropolitan council~~ *under section 473.446, subdivision 1, clause (a), and if taxes are so pledged the board council shall transfer amounts received from the levy to the commission metro transit for payment of the note or notes. To the extent the notes are not paid from the grant or loan money pledged for the payment thereof, the principal and interest of the notes must be paid from any taxes received by the transit board council under section 473.446 and any income and revenue received by or accrued to the commission metro transit during the fiscal year in which the note or notes were issued, or other money of the commission metro transit lawfully available therefor.*

Sec. 31. Minnesota Statutes 1992, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections ~~473.404~~ *473.4041* to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the ~~regional transit board council~~ shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by ~~the commission metro transit~~ under section 473.436, subdivision 6;

(b) an additional amount, if any, the ~~board council~~ determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding ~~on July 1, 1985~~, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or *former regional transit board* has specifically pledged tax levies under this clause.

The property tax levied by the ~~regional transit board~~ for general purposes *council* under clause (a) must not exceed the following amount for the years specified:



(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years 1994, the product of (i) the former regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision Minnesota Statutes 1992, section 473.446, subdivision 1, clause (3), multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year; and

(2) for taxes payable in 1995 and subsequent years, the product of (i) the council's property tax levy limitation for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's council's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.510 percent of net tax capacity on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.765 percent of net tax capacity on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board council the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually

appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.

For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 32. Minnesota Statutes 1992, section 473.446, subdivision 1a, is amended to read:

Subd. 1a. [TAXATION WITHIN TRANSIT AREA.] For the purposes of sections ~~473.404~~ 473.4041 to 473.449, and the metropolitan transit system, the ~~regional transit board~~ council shall levy upon all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district, defined in subdivision 2, a transit tax, which shall be equal to ten percent of the sum of the levies provided in subdivision 1, clauses (a) to (c). The proceeds of this tax shall be used only for paratransit services or ride sharing programs designed to serve persons located within the transit area but outside of the transit taxing district.

Sec. 33. Minnesota Statutes 1992, section 473.446, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION AND COLLECTION.] Each county treasurer shall collect and make settlement of the taxes levied under subdivisions 1 and 1a with the treasurer of the ~~board~~ council. *For taxes levied in 1992, payable in 1993, by the former regional transit board under Minnesota Statutes 1992, section 473.446, each county treasurer shall collect and make settlement of the taxes levied with the treasurer of the council.* The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the ~~board~~ council for other purposes authorized by law and shall be in addition to any other property tax authorized by law.

Sec. 34. Minnesota Statutes 1992, section 473.446, subdivision 7, is amended to read:

Subd. 7. [PROTECTION OF RIGHTS OF HOLDERS OF OUTSTANDING INDEBTEDNESS.] Beginning for taxes levied in ~~1984~~ 1993, payable in ~~1985~~ 1994, and for each succeeding year, ~~the metro transit commission~~ shall certify to the ~~transit board~~ council before October 1 of each year the amounts necessary to provide full and timely payment of certificates of indebtedness, bonds, and other obligations of ~~the commission~~ metro transit, until all debt of ~~the commission~~ metro transit is fully discharged. As part of its levy made pursuant to ~~subdivisions~~ subdivision 1 and 6, the ~~board~~ council shall levy the amounts certified by ~~the commission~~ metro transit and transfer the proceeds to ~~the commission~~ metro transit for payment of its obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness. Nothing in Laws 1984, chapter 654 may impair the rights of holders of valid obligations of the *metropolitan transit* commission to require a levy of property taxes. The ~~transit board~~ council shall take the actions necessary to comply with the terms and conditions of the obligations, including if necessary the levy of property taxes to provide for a deficiency.

Sec. 35. Minnesota Statutes 1992, section 473.446, subdivision 8, is amended to read:

Subd. 8. [STATE REVIEW.] The ~~board~~ council must certify its *proposed* property tax levy *under this section* to the commissioner of revenue by ~~August 4~~ *September 15* of the levy year. The commissioner of revenue shall annually determine whether the property tax for ~~general purposes~~ certified by the ~~regional transit board~~ council for levy following the adoption of ~~its~~ *metro transit's and the authority's proposed* budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. The determination must be completed prior to ~~September~~ *November 1* of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

## ARTICLE 2

### MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1992, section 15.0597, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them.

(a) "Agency" means (1) a state board, commission, council, committee, authority, task force, including an advisory task force created under section 15.014 or 15.0593, or other similar multimember agency created by statute and having statewide jurisdiction; and (2) the metropolitan council, ~~regional transit board~~, metropolitan airports commission, metropolitan parks and open space commission, metropolitan sports facilities commission, metropolitan waste control commission, capitol area architectural and planning board, and any agency with a regional jurisdiction created in this state pursuant to an interstate compact.

(b) "Vacancy" or "vacant agency position" means (1) a vacancy in an existing agency, or (2) a new, unfilled agency position; provided that "vacancy" shall not mean (1) a vacant position on an agency composed exclusively of persons employed by a political subdivision or another agency, or (2) a vacancy to be filled by a person required to have a specific title or position.

(c) "Secretary" means the secretary of state.

Sec. 2. Minnesota Statutes 1992, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

## Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;  
Commissioner of education;  
Commissioner of transportation;  
Commissioner of human services;  
Commissioner of revenue;  
Commissioner of public safety;  
Executive director, state board of investment;  
Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;  
Commissioner of agriculture;  
Commissioner of commerce;  
Commissioner of corrections;  
Commissioner of jobs and training;  
Commissioner of employee relations;  
Commissioner of health;  
Commissioner of labor and industry;  
Commissioner of natural resources;  
Commissioner of trade and economic development;  
Chief administrative law judge; office of administrative hearings;  
Commissioner, pollution control agency;  
Director, office of waste management;  
Commissioner, housing finance agency;  
Executive director, public employees retirement association;  
Executive director, teacher's retirement association;  
Executive director, state retirement system;  
Chair, metropolitan council;  
Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;  
Commissioner, department of public service;  
Commissioner of veterans affairs;  
Commissioner, bureau of mediation services;  
Commissioner, public utilities commission;  
Member, transportation regulation board;  
Ombudsman for corrections;  
Ombudsman for mental health and retardation.

Sec. 3. Minnesota Statutes 1992, section 174.04, is amended to read:

174.04 [FINANCIAL ASSISTANCE; APPLICATIONS; DISBURSEMENT.]

Subdivision 1. [REVIEW OF APPLICATION.] Any state agency which receives an application from a regional development commission, metropolitan council, public transit ~~commission~~ *agency or authority*, airport commission, port authority or other political subdivision of the state for financial assistance for transportation planning, capital expenditures or operations to any state or federal agency, shall first submit the application to the commissioner of transportation. The commissioner shall review the application to determine whether it contains matters that substantially affect the statewide transportation plan and priorities. If the application does not contain such matters, the commissioner shall within 15 days after receipt return the application to the applicant political subdivision for forwarding to the appropriate agency. If the application contains such matters, the commissioner shall review and comment on the application as being consistent with the plan and priorities. The commissioner shall return the application together with comments within 45 days after receipt to the applicant political subdivision for forwarding with the commissioner's comments to the appropriate agency.

Subd. 2. [DESIGNATED AGENT.] A regional development commission, metropolitan council, public transit ~~commission~~ *agency or authority*, airport commission, port authority, or any other political subdivision of the state may designate the commissioner as its agent to receive and disburse funds by entering into an agreement with the commissioner prescribing the terms and conditions of the receipt and expenditure of the funds in accordance with federal and state laws and regulations.

Subd. 3. [EXCEPTIONS.] The provisions of this section shall not be construed as altering or amending in any way the funding procedures specified in sections 161.36, 360.016 or 360.0161.

Sec. 4. Minnesota Statutes 1992, section 174.22, is amended by adding a subdivision to read:

Subd. 3a. [METRO TRANSIT.] "*Metro transit*" means the agency established by section 473.4041.

Sec. 5. Minnesota Statutes 1992, section 174.23, subdivision 4, is amended to read:

Subd. 4. [RESEARCH; EVALUATION.] The commissioner shall conduct research and shall study, analyze, and evaluate concepts, techniques, programs, and projects to accomplish the purposes of sections 174.21 to 174.27, including traffic operations improvements, preferential treatment and other encouragement of transit and paratransit services and high-occupancy vehicles, improvements in the management and operation of regular route transit services, special provision for pedestrians and bicycles, management and control of parking, changes in work schedules, and reduction of vehicle use in congested and residential areas. The commissioner shall examine and evaluate such concepts, techniques, programs, and projects now or previously employed or proposed in this state and elsewhere. The commissioner or an independent third party under contract to the commissioner shall monitor and evaluate the management and operation of public transit systems, services, and projects receiving financial or professional and technical assistance under sections 174.21 to 174.27 or other state programs to determine the manner in which and the extent to which such systems, services, and projects contribute or may contribute to the purposes of sections 174.21 to 174.27. The commissioner shall develop and promote proposals and projects to accomplish the purposes of sections 174.21 to 174.27 and shall actively solicit such proposals from municipalities, counties, legislatively established transit ~~commissions~~ and providers and authorities, regional development commissions, and potential vendors. In conducting such activities the commissioner shall make the greatest possible use of already available research and information. The commissioner shall use the information developed under sections 174.21 to 174.27 in developing or revising the state transportation plan.

Sec. 6. Minnesota Statutes 1992, section 174.24, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; APPLICATIONS.] Any legislatively established public transit ~~commission~~ agency or authority, any county or statutory or home rule charter city providing financial assistance to or operating public transit, any private operator of public transit, or any combination thereof is eligible to receive financial assistance through the public transit participation program. Eligible recipients must be located outside of the metropolitan area.

Sec. 7. Minnesota Statutes 1992, section 174.32, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE RECIPIENTS.] A legislatively established public transit ~~commission~~ agency or authority; a public authority organized and existing under chapter 398A; a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service; a rail authority; or a private operator of public transit is eligible for assistance under the program. The National Railroad Passenger Corporation, known as Amtrak, and any trolley system outside the metropolitan area are not eligible for assistance under the program.

Sec. 8. Minnesota Statutes 1992, section 252.478, subdivision 2, is amended to read:

Subd. 2. [RATES.] Costs of transportation to and from a day training and

habilitation service agency must be a part of the payment rate established for each day training and habilitation services agency.

The commissioner may approve payment rates for day training and habilitation services that exceed the limits in section 252.46, subdivision 6, for vendors whose transportation costs increase as a result of action taken by the former regional transit board or the metropolitan transit authority under Laws 1988, chapter 684, article 2, section 3, or Laws 1989, chapter 269, section 35, or section 473.386, subdivision 4.

Sec. 9. Minnesota Statutes 1992, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;
- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;
- (11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
- (12) employees of the Sibley House Association;
- (13) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two

consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(14) state troopers;

(15) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) persons described in section 352B.01, subdivision 2, clauses (2) to (5);

(18) temporary employees in the classified service; temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(19) trainee employees, except those listed in subdivision 2a, clause (10);

(20) persons whose compensation is paid on a fee basis;

(21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(22) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(23) chaplains and nuns who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(24) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(26) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(27) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(28) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;



(29) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards; if the board members are appointed by the metropolitan council the metropolitan agencies;

(30) persons employed in positions designated by the department of employee relations as student workers;

(31) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(32) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(33) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(34) off-duty peace officers while employed by the metropolitan metro transit commission under section 629.40, subdivision 5; and

(35) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 10. Minnesota Statutes 1992, section 352.75, subdivision 2, is amended to read:

Subd. 2. [NEW EMPLOYEES.] All persons first employed by the former metropolitan transit commission as employees of the transit operating division on or after July 1, 1978, or by metro transit after June 30, 1993, are members of the Minnesota state retirement system and are considered state employees for purposes of this chapter unless specifically excluded under section 352.01, subdivision 2b.

Sec. 11. Minnesota Statutes 1992, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an

employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, or an employee of the state board of investment;

(2) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) a person other than an employee of the state board of technical colleges who is employed in a position established under section 43A.08, subdivision 1, clause (3), or subdivision 1a, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; ~~the chair, executive director~~ *chief administrator*, and not to exceed three positions at the division director or assistant to the ~~chair~~ *chief administrator* level of the ~~regional transit board metropolitan transit authority~~; a chief administrator who is an employee of the ~~metropolitan metro transit commission~~; and ~~the chair, executive director~~, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause; no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system; unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(7) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) an employee whose principal employment is at the state ceremonial house;

(10) an employee of the Minnesota educational computing corporation;

- (11) an employee of the world trade center board;
- (12) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3; and
- (13) an employee of the state board of technical colleges employed in a position established under section 43A.08, subdivision 1, clause (3), or 4a, unless the person has elected coverage by the individual retirement account plan under chapter 354B.

Sec. 12. Minnesota Statutes 1992, section 473.121, subdivision 11, is amended to read:

Subd. 11. [INDEPENDENT COMMISSION, BOARD OR AGENCY.] *"Independent commission, board or agency" means governmental entities with jurisdictions lying in whole or in part within the metropolitan area but not including agencies that are subject to the requirements of section 473.161 the metropolitan transit authority, metro transit, and the metropolitan waste control commission.*

Sec. 13. Minnesota Statutes 1992, section 473.121, is amended by adding a subdivision to read:

Subd. 15a. [TRANSIT AUTHORITY OR AUTHORITY.] *"Transit authority" or "authority" means the metropolitan transit authority created in section 473.373.*

Sec. 14. Minnesota Statutes 1992, section 473.121, is amended by adding a subdivision to read:

Subd. 15b. [METRO TRANSIT.] *"Metro transit" means the metropolitan agency created in section 473.4041.*

Sec. 15. Minnesota Statutes 1992, section 473.146, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT REQUIREMENTS.] The council shall adopt a long-range comprehensive policy plan for each metropolitan agency required to prepare an implementation plan under section 473.161 and the metropolitan transit authority. The plans must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide developed and adopted by the council under this chapter. Each policy plan must include, to the extent appropriate to the functions, services, and systems covered, the following:

- (1) forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters; for the metropolitan area and appropriate subareas, to be used in preparing the implementation plan of the affected metropolitan agency;
- (2) a statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;
- (3) a statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered; addressing areas and populations to be served, the levels, distribution, and staging of services; a general description of the facility systems required to support the services, and other similar matters;

(4) a statement of policies to effectuate the council's goals, objectives, and priorities;

(5) a statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;

(6) a statement of the standards, criteria, and procedures that the council will use in monitoring and evaluating the implementation of the plan;

(7) a statement of the matters that must be addressed in the implementation plan of the affected metropolitan agency;

(8) a statement of the relationship of the policy plan to other policy plans and chapters of the metropolitan development guide;

(9) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.872; and

(10) additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan.

Sec. 16. Minnesota Statutes 1992, section 473.146, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTATION PLANNING.] The metropolitan council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities, and shall establish an advisory body consisting of representatives of the ~~regional metropolitan transit board authority~~, citizens, municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council and the ~~transit board authority~~.

Sec. 17. Minnesota Statutes 1992, section 473.1623, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REPORTING AND MANAGEMENT ADVISORY COMMITTEE.] A financial reporting and management advisory committee is created, consisting of the chairs or chief administrators of the council and the following metropolitan agencies: the waste control commission, ~~transit board~~, ~~transit commission~~, ~~metropolitan transit authority~~, ~~metro transit~~, metropolitan airports commission, and sports facilities commission. The committee is established to assist and advise the council and other governing boards in meeting the requirements of this section. Staff and administrative services for the committee must be provided by the council and the member agencies. Other agencies shall make financial information available upon request.

Sec. 18. Minnesota Statutes 1992, section 473.164, subdivision 3, is amended to read:

Subd. 3. At the conclusion of each budget year, the council, in cooperation with each commission or board authority, shall adopt a final statement of costs incurred by the council for each commission or board authority. Where costs incurred in the budget year have exceeded the amount budgeted, each commission or board authority shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year. ~~Costs incurred during 1976 shall be reimbursed to the council on or before December 31, 1976, following receipt and in accordance with a statement of costs transmitted by the council. Notwithstanding the provisions of this section, after July 1, 1981, the metropolitan council shall not charge the regional transit board for any costs incurred by the council for the study of light rail transit unless the study plan and budget have been approved by the board.~~

Sec. 19. Minnesota Statutes 1992, section 473.168, subdivision 2, is amended to read:

Subd. 2. The metropolitan council ~~in consultation with the regional transit board~~ may require that any freeway constructed in the metropolitan area on which actual construction has not been commenced by April 12, 1974 include provisions for exclusive lanes for buses and, as the council may determine, other forms of multipassenger transit. The council, in making its determination, must demonstrate that the exclusive lanes are necessary to implement the transportation policy plan of the development guide.

Sec. 20. Minnesota Statutes 1992, section 473.181, subdivision 3, is amended to read:

Subd. 3. ~~[METROPOLITAN METRO TRANSIT COMMISSION.]~~ The council shall review acquisition of public transit systems and the issuance of revenue bonds by the metropolitan metro transit commission pursuant to section 473.405, subdivision 5.

Sec. 21. Minnesota Statutes 1992, section 473.223, is amended to read:

473.223 [FEDERAL AID.]

For the purposes of this section the term "governmental subdivision" includes municipalities, counties and other political subdivisions generally. If federal aid for transportation programs and projects is otherwise unavailable to an existing agency or governmental subdivision, the metropolitan council may cooperate with the government of the United States and any agency or department thereof and the affected agency or other governmental subdivision in establishing metropolitan area eligibility to receive federal aid, and may comply with the provisions of the laws of the United States and any rules and regulations made thereunder for the expenditure of federal moneys upon such projects as are proposed for federal assistance. If necessary to meet federal requirements, the council, ~~the regional metro transit board, and the metropolitan transit commission authority~~ may be considered a single eligible unit to carry out their respective responsibilities. The metropolitan council may accept federal aid and other aid, either public or private, for and in behalf of the metropolitan area or any governmental subdivision of the state, for transportation programs and projects within the metropolitan area upon such terms and conditions as are or may be prescribed by the laws of the United States and any rules or regulations made thereunder, and is authorized to act

as agent of any governmental subdivision of the state with jurisdiction in the metropolitan area upon request of such subdivision in accepting the aid in its behalf for such programs or projects financed either in whole or in part by federal aid. The governing body of any such subdivision is authorized to designate the metropolitan council as its agent for such purposes and to enter into an agreement with the council prescribing the terms and conditions of the agency relationship in accordance with state and federal laws, rules and regulations. The metropolitan council is authorized to designate an appropriate state agency as its agent for such purposes and to enter into an agreement with such agency prescribing the terms and conditions of the agency relationship in accordance with state and federal laws, rules and regulations.

Nothing contained herein shall limit any separate authority of agencies or governmental subdivisions of the state to contract for and receive federal aid. *However, no political subdivision within the metropolitan area may apply for federal transit assistance unless its application has been submitted to and approved by the council.*

Sec. 22. Minnesota Statutes 1992, section 629.40, subdivision 5, is amended to read:

Subd. 5. [OFFICERS APPOINTED BY METROPOLITAN METRO TRANSIT COMMISSION.] An off-duty peace officer as defined in section 626.84, subdivision 1, paragraph (c), may be employed by the metropolitan metro transit ~~commission~~ to police its property and routes and may make an arrest under section 629.34 while on duty for the metropolitan metro transit ~~commission~~ anywhere within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The powers of arrest may only be exercised in connection with investigations authorized by the ~~commission~~ metro transit that relate to ~~commission~~ metro transit property, equipment, employees, and passengers.

### ARTICLE 3

#### GOVERNANCE ADVISORY COUNSEL

##### Section 1. [STATE ADVISORY COUNCIL.]

*Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council on metropolitan governance is established to provide a forum at the state level for education, discussion, identification of emerging regional needs and appropriate responses, and advice to the legislature on the present and future role of the metropolitan council, metropolitan agencies, and the local governmental units as defined in Minnesota Statutes, section 473.121. The creation of the advisory council shall not affect any otherwise existing reporting relationships of the council, metropolitan agencies, or the local governmental units to the legislature.*

*Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the duties and responsibilities of the council, metropolitan agencies, and the local governmental units.*

*(b) The advisory council may gather information, conduct research and analysis, and advise the legislature on matters related to the council's charge.*

*(c) The advisory council may conduct public hearings to inform the public and solicit opinion.*

(d) *The advisory council shall consult with local governmental units in making its recommendations.*

*Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:*

*(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules; and three members of the house of representatives appointed by the speaker; and*

*(2) nine public members who are residents of the metropolitan area; two appointed by the subcommittee on committees of the committee on rules of the senate and two appointed by the speaker of the house; and five appointed by the governor.*

*Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.*

*Subd. 5. [ADMINISTRATION.] Legislative staff, the metropolitan council, and metropolitan agencies shall provide administrative and staff assistance when requested by the advisory council.*

## **Sec. 2. [EXPENSES.]**

*The metropolitan council shall compensate the members of the advisory council. Public members are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are paid per diem and travel expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the metropolitan council.*

## **ARTICLE 4**

### **CONFORMING AMENDMENTS, SHORT TITLE**

#### **Section 1. [INSTRUCTIONS TO REVISOR.]**

*Subdivision 1. [METROPOLITAN TRANSIT AUTHORITY.] In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the term "regional transit board" (or "transit board" or "board" when referring to the regional transit board) or similar terms, to "metropolitan transit authority" (or "transit authority" when referring to the metropolitan transit authority), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 10A.01, subdivision 18; 161.173; 161.174; 174.32, subdivision 2; 221.022; 221.025; 221.031, subdivision 3a; 221.041, subdivision 4; 221.071, subdivision 1; 221.295; 297B.09, subdivision 1; 352.01, subdivision 2a; 473.121, subdivision 5a; 473.164, subdivision 1; 473.375, subdivisions 2, 3, 4, 6, 9, 10, 12, 14, 15, and 18; 473.384, subdivisions 1, 4, 5, 6, and 8; 473.386, subdivisions 1, 4, 5, and 6; 473.387, subdivisions 2, 3, and 4; 473.394; and 473.405, subdivision 6.*

*Subd. 2. [METRO TRANSIT.] In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the term "metropolitan transit commission" (or "transit commission" or "the commission" when referring to the metropolitan transit commission), or similar term, to "metro transit" where it appears in Minnesota Statutes 1992, sections 10A.01, subdivision 18; 16B.58, subdivision 7; 169.781, subdivision 1; 169.791, subdivision 5;*

169.792, subdivision 11; 221.022; 352.01, subdivisions 2a and 11; 352.03, subdivision 1; 473.121, subdivision 5a; 473.384, subdivision 1; 473.385, subdivision 1; 473.405; 473.408, subdivisions 1, 4, 6, and 7; 473.411, subdivisions 3, 4, and 5; 473.42; 473.436, subdivisions 2 and 3; 473.446, subdivision 2; 473.448; and 473.449.

**Subd. 3. [METROPOLITAN AGENCIES.]** *In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the term "commission," "commission or board," or similar term, when the term does not refer to a specific metropolitan agency, to the term "metropolitan agency" or "agency," or similar term, where it appears in Minnesota Statutes 1992, sections 473.129, subdivision 6; 473.141, subdivisions 7, 8, 9, 10, 11, 12, 13, and 14; and 473.164, subdivision 2.*

**Subd. 4. [CROSS REFERENCES.]** *In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.*

Column A	Column B	Column C
169.781, subd 1	473.404	473.4041
473.405, subd 1	473.404	473.4041
473.405, subd 12	473.404	473.4041
473.411, subd 4	473.404	473.4041
473.411, subd 5	473.404	473.4041
473.449	473.404	473.4041

**Subd. 5. [MINNESOTA RULES.]** *The revisor of statutes shall make similar conforming corrections to Minnesota Rules.*

#### **Sec. 2. [REPEALER.]**

*Minnesota Statutes 1992, sections 174.22, subdivision 4; 473.121, subdivisions 14a and 15; 473.373, subdivisions 4a, 5, 6, and 8; 473.375, subdivisions 7, 15, and 16; 473.377; 473.38; 473.384, subdivision 9; 473.388, subdivision 6; 473.404; 473.405, subdivision 2; 473.415, subdivision 1; 473.436, subdivision 7; and 473.445; are repealed.*

#### **Sec. 3. [APPLICATION.]**

*Articles 1, 2, and 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

#### **Sec. 4. [EFFECTIVE DATE.]**

*This act is effective July 1, 1993. Article 3 is repealed June 30, 1994."*

Delete the title and insert:

*"A bill for an act relating to metropolitan transit governance; abolishing the regional transit board; creating a new metropolitan transit authority; providing for the powers, duties, and administration of the metropolitan transit authority; authorizing the council to issue debt for the authority's activities and for transit; abolishing the metropolitan transit commission; creating metro transit; providing for the administration of metro transit; transferring functions of the metropolitan transit commission to metro transit; authorizing the metropolitan council to levy taxes to support metro transit's and the metropolitan transit authority's activities and for debt service; creating a state advisory council on metropolitan governance; changing obsolete references; amending Minnesota*



Statutes 1992, sections 15.0597, subdivision 1; 15A.081, subdivision 1; 174.04; 174.22, by adding a subdivision; 174.23, subdivision 4; 174.24, subdivision 2; 174.32, subdivision 3; 252.478, subdivision 2; 352.01, subdivision 2b; 352.75, subdivision 2; 352D.02, subdivision 1; 473.121, subdivision 11, and by adding subdivisions; 473.146, subdivisions 1 and 4; 473.1623, subdivision 2; 473.164, subdivision 3; 473.168, subdivision 2; 473.181, subdivision 3; 473.223; 473.371, subdivision 1; 473.373, subdivisions 1, 1a, and by adding subdivisions; 473.375, subdivisions 1, 5, 8, 11, 13, and 17; 473.382; 473.384, subdivisions 3 and 7; 473.385, subdivision 2; 473.386, subdivisions 2 and 3; 473.388; 473.39; 473.391; 473.392; 473.405, subdivision 5; 473.408, subdivision 2a; 473.409; 473.415; 473.435; 473.436, subdivision 6; 473.446, subdivisions 1, 1a, 3, 7, and 8; and 629.40, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1992, sections 174.22, subdivision 4; 473.121, subdivisions 14a and 15; 473.373, subdivisions 4a, 5, 6, and 8; 473.375, subdivisions 7, 15, and 16; 473.377; 473.38; 473.384, subdivision 9; 473.388, subdivision 6; 473.404; 473.405, subdivision 2; 473.415, subdivision 1; 473.436, subdivision 7; and 473.445."

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

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

S.F. No. 708: A bill for an act relating to agriculture; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; proposing coding for new law in Minnesota Statutes, chapter 18.

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

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

S.F. No. 1115: A bill for an act relating to natural resources; regulating various phases of the operation of aquatic farms, quarantine facilities, and private fish hatcheries within the state; providing penalties; amending Minnesota Statutes 1992, sections 17.4982, subdivision 8; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2; 17.4991, subdivision 4; 17.4992, subdivision 3; 97C.203; 97C.515, subdivision 4; and 97C.525, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 17.4982, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 17.4981 to 17.4997 17.4998.

Sec. 2. Minnesota Statutes 1992, section 17.4982, is amended by adding a subdivision to read:

*Subd. 2a. [AQUACULTURE THERAPEUTICS.] 'Aquaculture therapeutics' means drugs, medications, and disease control chemicals that are approved for aquaculture use by the United States Food and Drug Administration or the United States Environmental Protection Agency.*

Sec. 3. Minnesota Statutes 1992, section 17.4982, subdivision 8, is amended to read:

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility for salmonids or catfish that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

(1) disinfects its effluent to the standards in section 17.4991 before the effluent is discharged to public waters; ~~if the facility contains catfish and discharges into or upstream of waters containing catfish or if the facility contains salmonids and discharges into or upstream of waters containing salmonids;~~

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life for food consumption only;

(4) contains aquatic life requiring a fish health inspection prior to transportation.

Sec. 4. Minnesota Statutes 1992, section 17.4983, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair *wholesale* market value. Fair *wholesale* market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair *wholesale* market value if there is a surplus from state operations.

Sec. 5. Minnesota Statutes 1992, section 17.4984, subdivision 2, is amended to read:

Subd. 2. [LISTED WATERS.] (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

- (2) whether aeration requiring a permit is approved; and
- (3) whether pesticide use is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(d) Waters containing game fish of significant public value may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing game fish of significant public value may be denied licensing unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

Sec. 6. Minnesota Statutes 1992, section 17.4985, subdivision 2, is amended to read:

Subd. 2. [BILL OF LADING.] (a) A person may transport aquatic life except salmonids or catfish with a completed bill of lading for:

(1) intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper classification for the aquatic life *if the aquatic life is being transported into a watershed where it is not currently present or if the original source of the aquatic life is outside Minnesota and contiguous states*; and

(2) stocking of waters other than public waters.

(b) When aquatic life is transported between licensed private fish hatcheries, aquatic farms, or aquarium facilities under paragraph (a), a copy of the bill of lading must be submitted to the regional fisheries manager:

(1) at least 72 hours before the transportation if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states; or

(2) within 30 days in cases not covered by clause (1).

(c) A bill of lading is also required at least 72 hours before any transportation between licensed waters of the same licensee if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states.

(d) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the department of natural resources.

(e) (d) Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Sec. 7. Minnesota Statutes 1992, section 17.4985, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.] (a) A bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including *goldfish* and tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish, except salmonids and catfish, from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish being exported if accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life;

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days; or

(8) *transfer of aquatic life between licensed waters of the same licensee intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper facility classification for the aquatic life, except where required in subdivision 2 and except that salmonids and catfish may only be transferred or transported intrastate without a transportation permit if they had no record of bacterial kidney disease at the time they were imported into the state and if the most recent fish health inspection since importation has shown no certifiable diseases to be present.*

*Aquatic life being transferred between licensed private fish hatcheries, aquatic farms, or aquarium facilities must be accompanied by shipping documents and salmonids and catfish being transferred or transported intrastate without a transportation permit must be accompanied by a copy of their most recent fish health inspection.*

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Sec. 8. Minnesota Statutes 1992, section 17.4986, subdivision 2, is amended to read:

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;

(2) trout, salmon, and catfish from a nonemergency disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced; and

(3) trout, salmon, and catfish from a facility in a nonemergency disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced.

(b) If a source facility in ~~an emergency~~ a nonemergency disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 9. Minnesota Statutes 1992, section 17.4986, is amended by adding a subdivision to read:

Subd. 4. [DISEASE-FREE HISTORY.] *When disease-free histories of more than one year are required for importing salmonids or catfish, the disease history must be of consecutive years that include the year previous to, or the year of, the transportation request.*

Sec. 10. Minnesota Statutes 1992, section 17.4991, subdivision 3, is amended to read:

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by a certified fish health inspector. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

(e) *Salmonids and catfish must have a fish health inspection before being transported from a containment facility, unless the fish are being transported directly to an outlet for processing or other food purposes or unless the commissioner determines that an inspection is not needed. A fish health inspection conducted for this purpose need only be done on the lot or lots of fish that will be transported. The commissioner must conduct a fish health inspection requested for this purpose within five working days of receiving written notice. Salmonids and catfish may be immediately transported from a containment facility to another containment facility once a sample has been obtained for a health inspection or once the five-day notice period has expired.*

Sec. 11. Minnesota Statutes 1992, section 17.4991, subdivision 4, is amended to read:

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the ~~fish~~ *aquatic life* in the facility to be impounded, confiscated, sold, or destroyed and the facility disinfected. The commissioner shall make every effort to allow disposed ~~fish~~ *aquatic life* to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations ~~or human health~~ or of escape of the pathogen to public waters.

Sec. 12. Minnesota Statutes 1992, section 17.4991, is amended by adding a subdivision to read:

Subd. 5. [AQUACULTURE THERAPEUTICS REGISTRATION.] (a) *Aquaculture therapeutics must be registered and labeled in accordance with rules adopted by the commissioner of agriculture relating to drugs and feed additives.*

(b) *The department of agriculture may not require registration of those aquaculture therapeutics designated as low regulatory priority by the United States Food and Drug Administration.*

Sec. 13. Minnesota Statutes 1992, section 17.4992, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF FISH FOR BROOD STOCK.] Game fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair *wholesale* market value. As a one-time purchase for brood stock development, up to 20 pair of adults may be provided, if available, by the state through normal operations.

Sec. 14. Minnesota Statutes 1992, section 17.4995, is amended to read:

17.4995 [RECEIPTS TO THE GAME AND FISH FUND DEPARTMENT OF NATURAL RESOURCES.]

Money received by the state under sections 17.4981 to 17.4997 must be deposited in the state treasury and credited to the game and fish fund and is appropriated to the commissioner for fisheries purposes.

Sec. 15. [17.4998] [VIOLATIONS; PENALTY.]

*Unless a different penalty is prescribed, a violation of a provision of sections 17.4981 to 17.4997 or a rule of the commissioner governing the operation of an aquatic farm, private fish hatchery, or quarantine facility is a misdemeanor.*

Sec. 16. Minnesota Statutes 1992, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. ~~Aquaculture therapeutics shall be registered and labeled in the same manner as pesticides.~~ Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

Sec. 17. Minnesota Statutes 1992, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing; *and*

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms ~~to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing~~ at a price not less than the *wholesale* fair market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; *and*

(3) ~~sale at fair market value, established as the average price charged at the state's private sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and aquatic farms to hatch fry or raise fingerlings for sale.~~

Sec. 18. Minnesota Statutes 1992, section 97C.515, subdivision 4, is amended to read:

Subd. 4. [PRIVATE FISH HATCHERY OR AQUATIC FARM.] A person with a private fish hatchery *or aquatic farm* license may transport minnows from contiguous states to the private fish hatchery *or aquatic farm*, provided

the minnows are used for processing or feeding hatchery fish. The commissioner may require inspection of minnows transported from outside the state.

Sec. 19. Minnesota Statutes 1992, section 97C.525, subdivision 3, is amended to read:

Subd. 3. [MINNOW DEALERS AND HAULERS.] A resident minnow dealer or a nonresident exporting minnow hauler may transport ~~leeches, suckers, and fathead~~ minnows out of the state. A nonresident exporting minnow hauler must possess a bill of lading issued by a minnow dealer with an exporting minnow dealer's license. The bill of lading must be on a form furnished by the commissioner and must state the exporting minnow hauler's name and address, the route through the state, number and species of minnows, and the time it was issued.

Sec. 20. Minnesota Statutes 1992, section 103G.2241, is amended to read: 103G.2241 [EXEMPTIONS.]

Subdivision 1. [EXEMPTIONS.] (a) Subject to the conditions in paragraph (b), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an applicable general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal



Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);

(7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;

(8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions by public entities that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) activities associated with routine maintenance or repair of existing public highways, roads, streets, and bridges, provided the activities do not

result in additional intrusion into the wetland and do not result in the draining or filling, wholly or partially, of a wetland outside of the existing right-of-way;

(17) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland;

(18) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;

(19) duck blinds;

(20) aquaculture activities, except building or altering of docks and activities involving the draining or filling, wholly or partially, of a wetland including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United State Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body.

(b) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal,

state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.”

Delete the title and insert:

“A bill for an act relating to natural resources; modifying provisions relating to aquaculture; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 17.4982, subdivisions 1, 8, and by adding a subdivision; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2, and by adding a subdivision; 17.4991, subdivisions 3, 4, and by adding a subdivision; 17.4992, subdivision 3; 17.4995; 18B.26, subdivision 1; 97C.203; 97C.515, subdivision 4; 97C.525, subdivision 3; and 103G.2241; proposing coding for new law in Minnesota Statutes, chapter 17.”

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

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

S.F. No. 1557: A bill for an act relating to data privacy; eliminating a classification of legislators’ telephone records; amending Laws 1989, chapter 335, article 1, section 15, subdivision 3.

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

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

S.E. No. 798: A bill for an act relating to public safety; authorizing commissioner of public safety to apply for federal natural disaster assistance funds; amending Minnesota Statutes 1992, section 12.221.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations and Reform, shown in the Journal for March 24, 1993, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

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

S.F. No. 496: A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reports the same back with the recommendation that the report from the Committee on Family Services, shown in the Journal for March 25, 1993, be amended to read:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Judiciary”. Amendments adopted. Report adopted.

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

S.F. No. 993: A bill for an act relating to public safety; allowing social security numbers of commercial drivers to be provided to the federal commercial driver license information system; allowing person whose vehicle license plates are impounded to designate a licensed driver for the purpose of obtaining special series license plates; prohibiting person whose license plates are impounded from purchasing a motor vehicle under certain conditions; clarifying driver's license classification provisions; imposing fee for duplicate identification card; requiring application for duplicate identification card when certain information changes; including certain traffic offenses as being serious violations when committed by commercial vehicle drivers; providing for driver's license reinstatement fees; amending Minnesota Statutes 1992, sections 13.69, subdivision 1; 168.042, subdivision 12, and by adding a subdivision; 171.02, subdivision 2; 171.06, subdivision 2; 171.11; 171.165, subdivision 4; and 171.29, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Transportation and Public Transit, shown in the Journal for March 29, 1993, be amended to read:

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

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

S.F. No. 834: A bill for an act relating to motor fuels; directing public service department to evaluate and implement policy to provide incentives for developing use of motor vehicles powered by alternate fuels; exempting alternative fuels from motor fuel tax but requiring permit; amending Minnesota Statutes 1992, sections 216C.01, by adding subdivisions; 296.01, by adding subdivisions; 296.025, subdivision 1a; and 296.026, subdivisions 1, 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

Reports the same back with the recommendation that the report from the Committee on Jobs, Energy and Community Development, shown in the Journal for March 31, 1993, be amended to read:

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

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

S.F. No. 154: A bill for an act relating to taxation; motor fuel taxes; providing for refunds of fuel taxes paid on fuel used to operate passenger snowmobiles as part of the operations of a resort; amending Minnesota Statutes 1992, sections 296.01, by adding a subdivision; and 296.18, subdivision 1.

Reports the same back with the recommendation that the report from the

Committee on Transportation and Public Transit, shown in the Journal for March 31, 1993, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

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

S.F. No. 1142: A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Transportation and Public Transit, shown in the Journal for March 31, 1993, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

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

S.F. No. 1007: A bill for an act relating to veterans; authorizing the legislature to hear and determine claims by patients at the Minnesota veterans homes; amending Minnesota Statutes 1992, section 3.738, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Veterans and General Legislation, shown in the Journal for March 31, 1993, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

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

S.F. No. 861: A bill for an act relating to the agricultural finance authority; authorizing direct loans and participations; increasing the dollar limit; amending Minnesota Statutes 1992, sections 41B.02, by adding a subdivision; and 41B.043.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Rural Development, shown in the Journal for April 1, 1993, be amended to read:

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

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

S.F. No. 813: A bill for an act relating to agriculture; redefining terms in the plant pest act; amending Minnesota Statutes 1992, section 18.46, subdivisions 3 and 9, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Rural Development, shown in the Journal for April 5, 1993, be adopted; that committee recommendation being:

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S.F. Nos. 1515 and 1546 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 1515 to the Committee on Commerce and Consumer Protection.

S.F. No. 1546 to the Committee on Metropolitan and Local Government.

Report adopted.

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

S.F. No. 1134: A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 8; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 45; 62A; 62H; repealing Minnesota Statutes 1992, sections 72A.45; 72B.07; Minnesota Rules, parts 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

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

Pages 2 and 3, delete section 6 and insert:

“Sec. 6. Minnesota Statutes 1992, section 59A.12, is amended by adding a subdivision to read:

*Subd. 5. Whenever an insurer, after having been advised that an insurance policy has been financed by a premium finance agreement, returns an unearned premium on such a policy, the insurer shall deliver or mail to the policyholder a notice that includes the following information: the amount of premium paid, the term of the policy, the date coverage began and ceased, the*

*amount of the unearned premium, the name of the party receiving the funds, and a statement of the obligation of the premium finance company to return within 30 days of receipt of the unearned premium any amount of the unearned premium in excess of the amount owed by the policyholder to the premium finance company."*

Page 3, delete lines 15 to 26 and insert:

*"Subd. 28. [GROUP INSURANCE.] "Group insurance" means that form of insurance coverage sponsored by:*

*(1) an employer covering not less than two employees and which may include the employees' dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any employer, or group of employers who have joined into an arrangement for the purposes of providing the employees insurance for their individual benefit. Employees' dependents, consisting of husband, wife, children, and actual dependents residing in the same household, are not employees for purposes of this definition except for a spouse employed on a regular full-time basis by the same employer. This clause does not apply to chapter 62L;*

*(2) an association to provide insurance to its members; or*

*(3) a creditor to provide life insurance to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed the actual or scheduled amount of their indebtedness."*

Page 3, line 33, delete everything after the first comma

Page 3, line 34, delete the new language

Page 5, line 35, after the comma, insert *"if the insurer is under the supervision or control of the insurance department of the insurer's state of domicile"*

Page 6, line 23, delete *"condition of coverage"* and insert *"preexisting condition limitation"*

Page 6, after line 30, insert:

*"Sec. 12. Minnesota Statutes 1992, section 60A.085, is amended to read:*

**60A.085 [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]**

*(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.*

*(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.*

(c) Paragraph (a) shall not apply if the group policy, plan, or contract is replaced by a substantially similar policy, plan, or contract."

Page 9, after line 2, insert:

"Sec. 15. Minnesota Statutes 1992, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061, and are subject to section 60A.03, subdivision 5, in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm."

Page 11, after line 1, insert:

"Sec. 17. Minnesota Statutes 1992, section 60A.285, is amended by adding a subdivision to read:

Subd. 30. [RECORDS RETENTION.] *An insurer shall retain copies of all underwriting documents, policy forms, and applications for three years from the effective date of the policy. This subdivision does not relieve the insurer of its obligation to produce these documents to the department after the retention period has expired in connection with an enforcement action or administrative proceeding against the insurer from whom the documents are requested, if the insurer has retained the documents. Records required to be retained by this section may be retained in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process which accurately reproduces or forms a durable medium for the reproduction of a record.*

Sec. 18. Minnesota Statutes 1992, section 60A.36, is amended by adding a subdivision to read:

Subd. 5. [RESCISSION.] *(a) No insurer may rescind or void a contract of liability or property insurance unless there was material misrepresentation,*



*omission, or fraud made by or with the knowledge of the insured in obtaining the contract or in pursuing a claim under the policy.*

*(b) No misrepresentation shall be material unless knowledge by the insurer of the facts misrepresented or omitted would have led to a refusal by the insurer to make such a contract. In determining the question of materiality, evidence of the practice of the insurer with respect to the acceptance or rejection of similar risks shall be admissible.*

*(c) For purposes of this section, a representation is a statement as to past or present fact, made to an insurer or the insurer's agent by the applicant as an inducement for issuing a contract of commercial liability or property insurance. A misrepresentation is a false representation, and the facts misrepresented are those facts which make the representation false.*

*(d) This does not limit the right to cancel the policy prospectively for failure to disclose a condition."*

Page 11, lines 21 to 27, reinstate the stricken language and delete the new language

Page 12, line 24, delete "of each odd-numbered year"

Page 12, delete lines 35 and 36

Page 13, line 1, delete "(e)" and insert "(d)"

Page 13, line 7, before "accident" insert "individual"

Page 13, delete section 18 and insert:

"Sec. 22. Minnesota Statutes 1992, section 60K.19, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than \$100 payable to the state of Minnesota for deposit in the general fund. A fee of \$10 \$20 for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. If the advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.

(b) If the advisory task force is created, it shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.

(c) The advisory task force shall recommend the approval or disapproval of professional designation examinations that meet the criteria established by this section and the number of continuing education credit hours to be awarded for passage of the examination. In order to be approved, a professional designation examination must:

(1) lead to a recognized insurance or financial planning professional designation used by agents; and

(2) conclude with a written examination that is proctored and graded."

Page 14, line 14, after the period, insert *"This section shall not apply to a certificate of insurance or similar evidence of coverage which meets the conditions of section 61A.093, subdivision 2."*

Page 16, line 10, reinstate the first stricken comma and after the stricken "2" insert *"except life insurance marketed on a direct response basis"* and reinstate the second stricken comma

Page 16, line 14, after the period, insert *"However, where an individual life policy is marketed on a direct response basis, a copy of any application signed by the applicant shall be delivered to the insured along with, or as part of, the policy."*

Page 19, lines 7 and 13, after the period, insert *"This section shall not apply to a certificate of insurance or similar evidence of coverage which meets the conditions of section 61A.093, subdivision 2."*

Page 19, after line 13, insert:

*"Sec. 33. [61A.093] [CERTIFICATE OF INSURANCE.]*

*Subdivision 1: A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by this chapter.*

*This subdivision supersedes any inconsistent provision of this chapter.*

*A policy of life insurance that is issued or delivered in this state and that covers a person residing in another state may provide coverage or contain provisions that are less favorable to that person than required by this chapter. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.*

*Subd. 2. Subdivision 1 does not apply to certificates issued in regard to a master policy issued outside the state of Minnesota if all of the following are true:*

*(1) the policyholder or certificate holder exists primarily for purposes other than to obtain insurance;*

*(2) the policyholder or certificate holder is not a Minnesota corporation and does not have its principal office in Minnesota;*

*(3) the policy or certificate covers fewer than 25 persons who are residents of Minnesota and the Minnesota residents represent less than 25 percent of all covered persons; and*

*(4) on request of the commissioner, the issuer files with the commissioner a copy of the policy and a copy of each form of certificate.*

*Subd. 3. Section 60A.08, subdivision 4, shall not be construed as requiring a certificate of insurance or similar evidence of insurance that meets the conditions of subdivision 2 to comply with this chapter."*

Page 19, after line 23, insert:

*"Sec. 35. Minnesota Statutes 1992, section 61A.282, subdivision 2, is amended to read:*

Subd. 2. [LENDING OF SECURITIES.] A company may loan securities held by it under this chapter to a broker-dealer registered under the Securities and Exchange Act of 1934 or to a bank which is a member of the Federal Reserve System, under the following conditions:

(a) The market value of loaned securities outstanding at any one time, excluding securities held in a separate account established pursuant to section 61A.14, subdivision 1, or 61A.275, shall not exceed ~~50 percent of the company's capital and surplus~~ 40 percent of the company's admitted assets as of the December 31 immediately preceding.

(b) The company is limited to no more than two percent of its admitted assets as of the December 31 immediately preceding being subject to lending of securities with any one borrower.

(c) Each loan must be evidenced by a written agreement which provides:

(a) (1) that the loan will be fully collateralized by cash or obligations issued or guaranteed by the United States or an agency or an instrumentality thereof, and that the collateral will be adjusted each business day during the term of the loan to maintain the required collateral in the event of market value changes in the loaned securities or collateral;

(b) (2) that the loan may be terminated by the company at any time, and that the borrower must return the loaned securities or their equivalent within five business days after termination;

(c) (3) that the company has the right to retain the collateral or to use the collateral to purchase securities equivalent to the loaned securities if the borrower defaults under the terms of the agreement; and

(d) (4) that the borrower remains liable for any losses and expenses, not covered by the collateral, which are incurred by the company due to default."

Page 20, line 32, after "No" insert "individual"

Page 21, line 10, after the period, insert "This section does not apply to persons who were covered under an individual policy or contract prior to July 1, 1994."

Page 21, line 25, after the period, insert "This includes coverage of dependents of the employee."

Page 21, delete lines 29 to 31

Page 23, line 22, delete "(a)"

Page 23, line 23, after "otherwise" insert "retroactively"

Page 23, line 25, after the period, insert "No insurer may prospectively restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued."

Page 23, delete lines 26 to 30

Page 34, after line 29, insert:

"Sec. 57. Minnesota Statutes 1992, section 62I.13, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] *To be eligible to participate in the association, an applicant must apply for coverage through the market assistance program, as required by section 62I.08. Except as provided for by subdivision 4, the market assistance program has 30 days from the receipt of the application to secure an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant and if the offer of coverage would not be considered a refusal for purposes of the association, then coverage may not be extended by the association. Eligibility for coverage by the association is also subject to the terms and conditions of subdivisions 2 and 3.*

Sec. 58. Minnesota Statutes 1992, section 62I.13, subdivision 2, is amended to read:

Subd. 2. [MINIMUM OF QUALIFICATIONS.] Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk or 20 percent in excess of the joint underwriting association rates for liquor liability coverages. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

Sec. 59. Minnesota Statutes 1992, section 62I.20, is amended to read:

62I.20 [MERGER OF OTHER PLANS.]

Upon application by the governing body of the liquor liability assigned risk plan authorized by section 340A.409 or the joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan."

Page 37, line 9, after the period, insert "A nonowned vehicle is one not used or provided on a regular basis."

Page 37, after line 9, insert:

"Sec. 63. Minnesota Statutes 1992, section 72A.20, subdivision 29, is amended to read:

Subd. 29. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance orga-

nization regulated under chapter 62D, or fraternal benefit society regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 611A.19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has: (i) had a test performed for the reason set forth in clause (1); or (ii) *been the victim of an assault or any other crime which involves bodily contact with the offender.*

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1), *including any test to determine the presence of the human deficiency virus (HIV) antibody if such test was performed at the insurer's direction as part of the insurer's normal underwriting requirements."*

Page 38, line 14, after the period, insert "*The insurer must have been sent a copy of any communication to an agent to be held in violation of this provision.*"

Page 43, line 17, after the period, insert "*The rules may not require excessive cash payments to a common claims fund by group self-insurers. However, a level of funding in the common claims fund will always be maintained at not less than one year's claim losses paid in the most recent year.*"

Page 48, line 10, after "*parts*" insert "*2780.4800;*"

Amend the title as follows:

Page 1, line 14, after the second semicolon, insert "*60A.085;*"

Page 1, line 15, after the first semicolon, insert "*60A.206, subdivision 3;*" and after "*2;*" insert "*60A.285, by adding a subdivision; 60A.36, by adding a subdivision;*"

Page 1, line 16, delete "*8*" and insert "*5*"

Page 1, line 20, after the first semicolon, insert "*61A.282, subdivision 2;*"

Page 1, line 22, after the third semicolon, insert "*62I.13, subdivisions 1 and 2; 62I.20;*"

Page 1, line 23, after the second comma, insert "*subdivision 29, and*"

Page 1, line 28, delete "*chapter*" and insert "*chapters*" and after "*45;*" insert "*61A;*"

Page 1, line 30, after "parts" insert "2780.4800;"

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

### SECOND READING OF SENATE BILLS

S.F. Nos. 1113, 356, 739, 382, 991, 1077, 384, 1099, 1005, 304, 1216, 303, 1254, 1228, 1032, 876, 1104, 1290, 1454, 1074, 948, 1064, 580, 833, 1342, 1192, 1075, 825, 819, 1087, 1477, 1387, 788, 913, 1127, 1557, 1142, 813 and 1134 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 430 was read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that the name of Mr. Mondale be added as a co-author to S.F. No. 58. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Bertram be added as a co-author to S.F. No. 124. The motion prevailed.

Ms. Berglin moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1354. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Finn be added as a co-author to S.F. No. 1452. The motion prevailed.

Mr. Bertram moved that the name of Mr. Frederickson be added as a co-author to S.F. No. 1526. The motion prevailed.

Mr. Merriam, for Mr. Samuelson, moved that S.F. No. 605 be withdrawn from the Committee on Finance and given its second reading. The motion prevailed.

S.F. No. 605 was read the second time.

Mr. Riveness moved that S.F. No. 1290 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Johnson, D.E. moved that H.F. No. 1325 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1387, now on General Orders. The motion prevailed.

Mr. Finn moved that S.F. No. 1201 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Health Care. The motion prevailed.

Ms. Olson moved that S.F. No. 303 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1650 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 1557, now on General Orders. The motion prevailed.

Mr. Kroening moved that S.F. No. 1163 be withdrawn from the Committee

on Environment and Natural Resources and re-referred to the Committee on Metropolitan and Local Government. The motion prevailed.

Mr. Price moved that S.F. No. 1164 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Metropolitan and Local Government. The motion prevailed.

Mr. Bertram moved that S.F. No. 771 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Metropolitan and Local Government. The motion prevailed.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Finn, Ms. Reichgott, Mr. Betzold, Ms. Kiscaden and Mr. Knutson introduced—

S.F. No. 1558: A bill for an act relating to probate; updating article 2 on intestacy, wills, and donative transfers; correcting a reference; recodifying the Minnesota multiparty accounts act; amending Minnesota Statutes 1992, sections 524.1-201; 524.2-101; 524.2-102; 524.2-103; 524.2-104; 524.2-105; 524.2-106; 524.2-107; 524.2-108; 524.2-109; 524.2-110; 524.2-111; 524.2-113; 524.2-114; 524.2-201; 524.2-202; 524.2-205; 524.2-206; 524.2-207; 524.2-301; 524.2-302; 524.2-502; 524.2-504; 524.2-505; 524.2-507; 524.2-508; 524.2-509; 524.2-512; 524.2-602; 524.2-603; 524.2-604; 524.2-605; 524.2-606; 524.2-607; 524.2-608; 524.2-609; and 524.2-701; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1992, sections 524.2-112; 524.2-503; 524.2-610; 524.2-612; 524.3-905; 525.15; 525.151; 525.22; 525.221; 525.223.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1559: A bill for an act relating to education; clarifying the early childhood family education formula; modifying the pupil transportation levy for late activities; amending Minnesota Statutes 1992, sections 124.226, subdivision 9; and 124.2711, subdivision 1.

Referred to the Committee on Education.

Ms. Runbeck, Mr. Knutson, Ms. Anderson and Kiscaden introduced—

S.F. No. 1560: A bill for an act relating to human services; exempting retired teachers and foster grandparents from the general staff qualifications; amending Minnesota Statutes 1992, section 245A.04, by adding a subdivision.

Referred to the Committee on Family Services.

Mr. Knutson, Ms. Johnston, Robertson, Lesewski and Mrs. Pariseau introduced—

S.F. No. 1561: A bill for an act relating to the legislature; providing for telephone expenses, audits, and a special prosecutor; appropriating money;

amending Minnesota Statutes 1992, section 16A.281; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Ms. Runbeck, Messrs. Metzen, Terwilliger, Sams and Riveness introduced—

S.F. No. 1562: A bill for an act relating to taxation; individual income; imposing tax on certain deemed discharges of indebtedness income; amending Minnesota Statutes 1992, section 290.01, subdivisions 19a and 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1563: A bill for an act relating to taxation; property; providing for valuation of certain vacant hospitals; amending Minnesota Statutes 1992, section 273.11, subdivision 1, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Stumpf introduced—

S.F. No. 1564: A bill for an act relating to civil actions; regulating the apportionment of joint and several liability; amending Minnesota Statutes 1992, section 604.02, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Johnson, D.J. introduced—

S.F. No. 1565: A bill for an act relating to taxation; providing an exemption for certain property used to provide recreational activities for disabled veterans and their families; amending Minnesota Statutes 1992, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear introduced—

S.F. No. 1566: A bill for an act relating to crime prevention; authorizing grants for programs to enrich opportunities for at-risk youth; requiring courts to order certain misdemeanor defendants to pay an additional fee; providing for deposit in the general fund of mandatory minimum fines; appropriating money; amending Minnesota Statutes 1992, sections 299A.35, subdivision 1; and 609.101, subdivision 4; repealing Minnesota Statutes 1992, section 609.101, subdivision 4.

Referred to the Committee on Crime Prevention.

Mr. Solon introduced—

S.F. No. 1567: A bill for an act relating to crimes; permitting the advertising of games of chance and lotteries legally operated under the laws of another jurisdiction; permitting the conduct and advertising of games of chance and lotteries by certain business, charitable, religious, social, or commercial



organizations where the game is clearly occasional and ancillary to the primary business or activity of the organization; amending Minnesota Statutes 1992, section 609.761, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mr. Luther introduced—

S.F. No. 1568: A bill for an act relating to insurance; workers' compensation; modifying the board membership and administration of the workers' compensation assigned risk plan; establishing a market assistance plan; transferring supervisory authority over the workers' compensation reinsurance association to the commissioner of commerce; making the commissioner of commerce a board member of the state fund mutual insurance company; amending Minnesota Statutes 1992, sections 79.251, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 79.252, subdivisions 2, 5, and by adding a subdivision; and 176A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 79.

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

Mr. Morse introduced—

S.F. No. 1569: A bill for an act relating to transportation; deregulating charter carriers; amending Minnesota Statutes 1992, sections 221.022; 221.025; 221.031, subdivision 3a; and 221.111; repealing Minnesota Statutes 1992, section 221.121, subdivision 6b.

Referred to the Committee on Transportation and Public Transit.

Mr. Morse introduced—

S.F. No. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by the departments of agriculture and natural resources; amending Minnesota Statutes 1992, sections 28A.08; 84B.11, subdivision 1; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 90.031, subdivision 4; 90.101, subdivision 1; 90.121; 92.46, subdivision 1; 97A.055, subdivision 1, and by adding a subdivision; 97A.071, subdivision 2; 97A.075, subdivision 4; 103F.725, by adding a subdivision; 115A.96, by adding a subdivision; and 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 89.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 1571: A bill for an act relating to metropolitan government; providing for minority representation on the metropolitan council; amending Minnesota Statutes 1992, section 473.123, subdivisions 1 and 2a.

Referred to the Committee on Metropolitan and Local Government.

Ms. Wiener and Mr. Solon introduced—

S.F. No. 1572: A bill for an act relating to commerce; currency exchanges; changing the date for submission of license renewal applications; amending Minnesota Statutes 1992, section 53A.03.

Referred to the Committee on Commerce and Consumer Protection.

### **MEMBERS EXCUSED**

Mr. Mondale was excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, April 8, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate