THIRTY-SEVENTH DAY

St. Paul, Minnesota, Friday, April 16, 1993

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

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

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

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 communications were received and referred to the committee indicated.

April 7, 1993

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

TRANSPORTATION REGULATION BOARD

Lyle G. Mehrkens, 1505 Woodland Dr., Red Wing, Goodhue County, has been appointed by me, effective April 7, 1993, for a term expiring on the first Monday in January, 1999.

(Referred to the Committee on Transportation and Public Transit.)

Warmest regards,
Arne H. Carlson, Governor

April 13, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 98, 99, 313 and 434.

Warmest regards,
Arne H. Carlson, Governor

April 14, 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
313		23	5:02 p.m. April 13	April 14
99		24	5:05 p.m. April 13	April 14
98		25	5:08 p.m. April 13	April 14
434		26	5:10 p.m. April 13	April 14
	233	27	5:12 p.m. April 13	April 14

Sincerely,
Joan Anderson Growe
Secretary of State

April 15, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 215 and 729.

Warmest regards,
Arne H. Carlson, Governor

April 15, 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
215		29	11:12 a.m. April 15	April 15
729		30	11:13 a.m. April 15	April 15
	399	31	11:15 a.m. April 15	April 15
	254	32	11:18 a.m. April 15	April 15

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 Files, herewith transmitted: H.F. Nos. 592, 1523, 690, 768 and 1424.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 15, 1993

FIRST READING OF HOUSE BILLS

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

H.F. No. 592: A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead

insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 576, now on General Orders.

H.F. No. 1523: A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; amending Minnesota Statutes 1992, section 61A.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1992, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

Referred to the Committee on Commerce and Consumer Protection.

H.F. No. 690: A bill for an act relating to retirement; public employees retirement association; disability benefits; reducing the reduction in benefits to coordinate them with amounts received under workers' compensation law for certain former employees.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 557, now on General Orders.

H.F. No. 768: A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 617, now on General Orders.

H.F. No. 1424: A bill for an act relating to pollution control; exempting certain storage tanks from notification, environmental protection, and tank installer training and certification requirements; amending Minnesota Statutes 1992, section 116.47.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 975, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 891, 53, 1185, 184 and 1241. The motion prevailed.

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

S.F. No. 240: A bill for an act relating to health; changing the membership requirements of the board of nursing; amending Minnesota Statutes 1992, section 148.181, subdivision 1.

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

Page 1, lines 9 and 10, strike "shall consist" and insert "*consists*"

Page 1, line 11, strike the first "shall" and insert "*must*"

Page 1, lines 12, 13, 14, 17, 20, and 25, strike "shall" and insert "*must*"

Page 1, line 24, delete "*shall*" and insert "*must*"

Page 2, lines 1, 2, 3, and 5, strike "shall" and insert "*must*"

Page 2, lines 9 and 12, strike "shall be" and insert "*are*"

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. 891: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1992, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

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

Page 5, line 17, delete "*the board*" and insert "*be ready for binding arbitration*"

And when so amended the bill do pass. Ms. Runbeck 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. 785: A bill for an act relating to labor; establishing rights and duties in relation to union organization; providing that certain acts are an unfair labor practice; proposing penalties; amending Minnesota Statutes 1992, sections 179.12; 179A.07, by adding a subdivision; and 179A.13, subdivision 2.

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

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

S.F. No. 1193: A bill for an act relating to employment; requiring wage payments at certain times; amending Minnesota Statutes 1992, section 181.101.

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

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

S.F. No. 1487: A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 474A.047, subdivision 1; and 474A.061, subdivision 2a.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 462A.221, is amended by adding a subdivision to read:

Subd. 4. [METROPOLITAN AREA.] *"Metropolitan area" has the meaning given it in section 473.121, subdivision 2.*

Sec. 2. Minnesota Statutes 1992, section 462A.221, is amended by adding a subdivision to read:

Subd. 5. [SUBSTANTIAL REHABILITATION.] *"Substantial rehabilitation" means rehabilitation of at least $5,000 per unit.*

Sec. 3. Minnesota Statutes 1992, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) *in the metropolitan area:*

(i) new construction or substantial rehabilitation single-room occupancy projects which are affordable by households whose income does not exceed 30 percent of the median income;

~~(2)~~ *(ii) new construction or substantial rehabilitation* family housing projects in which at least 75 percent of the units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; *or*

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects in which a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with physical disabilities if at least 50 percent of the units are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects which preserve existing subsidized housing which is subject to prepayment if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration which meet statewide distribution goals.

(d) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(e) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation."

Page 8, delete section 5 and insert:

"Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3, 5, and 7 are effective the day following final enactment. Section 5 applies to mortgage bonds allocated on or after April 1, 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "sections" insert "462A.221, by adding subdivisions; 462A.222, subdivision 3;"

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. 53: A bill for an act relating to labor; regulating employment of children; establishing a child labor curfew; providing penalties; amending Minnesota Statutes 1992, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

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

Page 1, line 11, after "*p.m.*" insert "*unless the student has supplied the employer with a note from a parent or guardian of the student authorizing the student to work until 11:30 p.m.*"

Page 2, line 20, after "*p.m.*" insert "*unless the student has supplied the*

employer with a note from a parent or guardian of the student authorizing the student to work until 11:30 p.m.''

Page 2, line 28, delete ''*50*'' and insert ''*100*''

Page 3, line 8, strike ''5'' and insert ''*25*''

Page 3, lines 13 and 14, delete ''*181A.12, subdivision 1, clause (e)*'' and insert ''*181A.04, subdivision 6*''

Page 3, line 15, delete ''*181A.12, subdivision 1, clause (e)*'' and insert ''*181A.04, subdivision 6*''

Page 3, after line 16, insert:

''*An employer who knowingly employs a child in violation of section 181A.04 is guilty of a gross misdemeanor if the violation results in the death of the child or substantial or greater bodily harm to the child. For the purposes of this subdivision, ''substantial bodily harm'' has the meaning given it in section 609.02, subdivision 7a.*''

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

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

S.F. No. 1226: A bill for an act relating to insurance; the comprehensive health association; clarifying the duties of the association and the authority of the commissioner of commerce; increasing the cigarette and tobacco product taxes to defray the cost of claims made under coverages provided by the association; repealing obsolete language; appropriating money; amending Minnesota Statutes 1992, sections 62E.08; 62E.09; 62E.10, subdivision 9; 297.02, subdivision 1; 297.13, by adding a subdivision; and 297.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 62E; repealing Laws 1992, chapter 549, article 9, section 17.

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

Page 1, line 30, before ''*adjusted*'' insert '', *or are*''

Page 2, lines 1 and 17, after ''*be*'' insert a comma

Page 2, lines 5, 16, and 21, before ''*adjusted*'' insert '', *or are*''

Page 2, line 6, after ''*be*'' insert a comma and after ''*one*'' insert ''*individual*''

Page 2, line 22, after ''*be*'' insert a comma and after ''*two*'' insert ''*individual*''

Page 2, line 35, before ''*adjusted*'' insert '', *or are*'' and after ''*be*'' insert a comma

Page 3, line 4, before ''*adjusted*'' insert '', *or are*'' and after ''*be*'' insert a comma

Page 5, line 36, delete ''*60*'' and insert ''*45*''

Page 6, line 3, delete "*solely*"

Page 6, delete lines 22 and 23

Page 6, line 24, delete "*(1)*" and insert "*(f)*"

Page 6, line 27, delete "*(2)*" and insert "*(g)*"

Page 6, line 28, delete "*and*"

Page 6, line 29, delete "*(3)*" and insert "*(h)*"

Page 6, line 32, delete "*(g)*" and insert "*(i)*" and delete the period and insert "*; and*

(j) other criteria relevant to the criteria contained in clauses (f), (g), (h), and (i) of this section."

Page 7, line 2, after "*approve*" insert "*, modify,*"

Page 7, line 6, delete "*60*" and insert "*45*"

Page 7, line 18, strike the second "and" and insert "*62C,*" and after "62D" insert "*, and 62E*"

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

S.F. No. 1232: A resolution memorializing Congress to consider the impact of the North American Free Trade Agreement on state sovereignty, the need for full legislative deliberation, and the withdrawal of NAFTA from the current fast-track procedures.

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

Page 1, lines 9 and 10, delete "would" and insert "could"

Page 1, line 26, delete "places" and insert "may place"

Page 2, line 2, after "governments" insert "may"

Page 2, line 3, delete "is secret and provides no" and insert "may provide inadequate"

Page 2, line 5, after "has" insert "adequately"

Page 2, line 14, after "that" insert "may"

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

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

S.F. No. 1528: A bill for an act relating to insurance; Medicare supplement; regulating coverages; conforming state law to federal requirements; making technical changes; amending Minnesota Statutes 1992, sections 62A.31, subdivisions 1, 4, and by adding a subdivision; 62A.315; 62A.316; 62A.318;

62A.36, subdivision 1; 62A.39; 62A.436; and 62A.44, subdivision 2; Laws 1992, chapter 554, article 1, section 18.

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

Page 10, line 11, after the period, insert:

"*Subd. 1t.* [NOTICE OF LACK OF DRUG COVERAGE.]" and after "Each" insert "*policy or*"

Page 10, line 30, before the period, insert ", *except as permitted under subdivision 1b*"

Page 11, line 19, delete "*subject to*" and insert "*and*"

Page 11, line 23, after "*program*" insert "*or state law*"

Page 14, line 20, reinstate the stricken "copayment"

Page 15, delete lines 4 to 10 and insert:

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

Page 34, line 20, after "date" insert ", *except that subdivision 1, paragraph (r), of section 1 applies to policies or certificates issued before or after that date*"

Page 34, after line 21, insert:

"Sec. 12. [REVISOR INSTRUCTION.]

The revisor of statutes shall renumber Minnesota Statutes 1992, section 62A.31, subdivision 1a, as subdivision 6 of that section."

Renumber the sections in sequence

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. 1229: A bill for an act relating to guardianship; providing for delegation of certain duties under the public guardianship for persons with mental retardation act; appropriating money; amending Minnesota Statutes 1992, section 252A.111, subdivision 5.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

H.F. No. 74: A bill for an act relating to local government; authorizing the city of Minneapolis, special school district No. 1, the city library board, and the city park and recreation board to impose residency requirements.

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

H.F. No. 237: A bill for an act relating to counties; providing procedures for the combination of the offices of auditor and treasurer; amending Minnesota Statutes 1992, section 375A.10, subdivision 5.

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

H.F. No. 498: A bill for an act relating to St. Louis county; solid waste management; clarifying St. Louis county contracting authority to include management operations; modifying contracting procedure; amending Minnesota Statutes 1992, section 383C.807, subdivision 1.

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. 869: A bill for an act relating to natural resources; providing for the prevention and suppression of wildfires in forest areas; providing penalties; amending Minnesota Statutes 1992, sections 88.01, subdivisions 2, 6, 8, 15, and by adding subdivisions; 88.02; 88.03; 88.04; 88.041; 88.05; 88.06; 88.065; 88.067; 88.08; 88.09, subdivision 2; 88.10; 88.11, subdivision 2; 88.12; 88.14; 88.15; 88.16; 88.17, subdivision 1, and by adding a subdivision; 88.18; 88.22; and 88.76; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 1992, sections 88.01, subdivision 23; 88.17, subdivision 2; and 88.19; and Laws 1992, chapter 556, sections 10 and 11; and Minnesota Rules, parts 7005.0705; 7005.0715; 7005.0725; 7005.0735; and 7005.0745.

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 88.01, subdivision 2, is amended to read:

Subd. 2. [DIVISION.] "Division" or "the division" means the division of ~~lands and~~ forestry in the department of natural resources.

Sec. 2. Minnesota Statutes 1992, section 88.01, subdivision 6, is amended to read:

Subd. 6. [~~FOREST~~ *WILDFIRE* AREAS.] ~~Every~~ *A* county ~~now or hereafter~~ having within its boundaries ~~any tract or area of~~ 1,000~~,~~ or more~~,~~ contiguous acres of ~~standing or growing timber or of unbroken prairie land or of cutover timber land not cleared or otherwise denuded of combustible or inflammable growth~~ *trees, brush, grasslands, or other vegetative material where the*

potential for wildfire exists, is ~~hereby declared to be a forest area; and every other county is hereby declared not to be such forest~~ *wildfire* area.

Sec. 3. Minnesota Statutes 1992, section 88.01, subdivision 8, is amended to read:

Subd. 8. [BACKFIRE.] "Backfire" means a fire intentionally started ahead of, or in the path of, an approaching ~~forest or prairie fire~~ *wildfire* for the purpose of burning back toward ~~that forest or prairie fire~~ *the wildfire* so that when the two fires meet both will die for lack of fuel.

Sec. 4. Minnesota Statutes 1992, section 88.01, subdivision 15, is amended to read:

Subd. 15. [IMPROVEMENT.] "Improvement" includes any act or thing done, or which may be done, and any construction made or structure erected or which may be made or erected, and any removal from any land of trees, brush, stumps, or other debris, which reasonably tend to prevent or abate ~~forest fires~~ *wildfires*.

Sec. 5. Minnesota Statutes 1992, section 88.01, subdivision 23, is amended to read:

Subd. 23. [OPEN FIRE; *OPEN BURNING*.] "Open fire" *or "open burning"* means a fire burning in matter, whether concentrated or dispersed, which is not contained within a fully enclosed firebox, structure or vehicle and from which the products of combustion are emitted directly to the open atmosphere without passing through a stack, duct or chimney.

Sec. 6. Minnesota Statutes 1992, section 88.01, is amended by adding a subdivision to read:

Subd. 24. [WILDFIRE.] *"Wildfire" means a fire requiring suppression action, burning any forest, brush, grassland, cropland, or other vegetative material.*

Sec. 7. Minnesota Statutes 1992, section 88.01, is amended by adding a subdivision to read:

Subd. 25. [CAMPFIRE.] *"Campfire" means a fire set for cooking, warming, or ceremonial purposes, that is not more than three feet in diameter by three feet high, and around which the ground is reasonably clear of all combustible material within five feet of the base of the fire.*

Sec. 8. Minnesota Statutes 1992, section 88.01, is amended by adding a subdivision to read:

Subd. 26. [SNOW-COVERED.] *"Snow-covered" means that the ground has a continuous, unbroken cover of snow, to a depth of three inches or more, surrounding the immediate area of a fire sufficient to keep the fire from spreading.*

Sec. 9. Minnesota Statutes 1992, section 88.02, is amended to read:

88.02 [CITATION, ~~FORESTRY~~ *WILDFIRE* ACT.]

Sections 88.02 to ~~88.21~~ *88.22* may be cited as the ~~forestry~~ *wildfire* act.

Sec. 10. Minnesota Statutes 1992, section 88.03, is amended to read:

88.03 [CODIFICATION.]

Sections 88.03 to ~~88.21~~ *88.22* shall be deemed and construed as a codification, revision, and expansion of, and as supplementary to, and taking the place of, the laws which existed at the time of the passage of Laws 1925, chapter 407, relating to forestry and to ~~forest and prairie fires~~ *wildfires*, including Laws 1911, chapter 125, and acts amendatory thereof and supplemental thereto; Laws 1913, chapter 159; Laws 1915, chapter 325; Extra Session Laws 1919, chapters 32 and 33, but without abridging or destroying any rights, obligations, liabilities, or penalties from, or under, any of such laws prior to the taking effect of Laws 1925, chapter 407. Sections 88.03 to ~~88.21 shall~~ *88.22* apply ~~only~~ to the ~~forest~~ *wildfire* areas of this state. In ~~the prosecution of any~~ *a* civil or criminal *prosecution* action *commenced under sections 88.03 to 88.22,* or *a* proceeding thereunder, it ~~shall~~ *is* not ~~be~~ necessary to prove that ~~any~~ *a* county ~~comes within the purview thereof~~ *is a wildfire area*, but the contrary may be proven by any party to ~~such~~ *the* action or proceeding.

Sec. 11. Minnesota Statutes 1992, section 88.04, is amended to read:

88.04 [FIREBREAKS; PREVENTION OF FIRES.]

Subdivision 1. The commissioner shall cooperate with the state highway authorities and with the supervising officers of the various towns and cities in the construction of firebreaks along section lines and public highways.

Subd. 2. All cities in the state situated in ~~any forest~~ *a wildfire* area are hereby authorized to clear off all combustible material and debris and create at least two good and sufficient firebreaks of not less than ten feet in width each, which shall completely encircle such municipalities at a distance of not less than 20 rods apart, between which backfires may be set or a stand made to fight ~~forest fires~~ *wildfires* in cases of emergency.

Subd. 3. All towns and cities shall take necessary precautions to prevent the starting and spreading of ~~forest or prairie fires~~ *wildfires* and to extinguish them. They may levy a tax not more than 0.08059 percent of taxable market value annually. The tax in any municipality shall not exceed $3,000 in any year. The tax when collected shall be known as the fire fund and kept separate from all other funds and used only to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to ~~88.21~~ *88.22*. Up to $500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No municipality shall make any levy for its fire fund at any time when the fund contains $5,000 or more, including cash on hand and uncollected taxes that are not delinquent.

Subd. 4. In all towns constituted within any of the ~~forest~~ *wildfire* protection districts which may be established by the commissioner, the respective town and city officers and employees shall cooperate with, and be under the general supervision and direction of, the commissioner.

Sec. 12. Minnesota Statutes 1992, section 88.041, is amended to read:

88.041 [~~INTERSTATE FOREST FIRE~~ *WILDFIRE* PREVENTION AND SUPPRESSION AGREEMENTS.]

The commissioner may enter into agreements with other states *and the Canadian and provincial governments* to cooperatively prevent and suppress ~~forest fires~~ *wildfires*.

Sec. 13. Minnesota Statutes 1992, section 88.05, is amended to read:

88.05 [ROADSIDES, CLEARING; FIREBREAKS.]

All highways, roads, and trails within ~~forest~~ *wildfire* areas are declared to be established firebreaks and for that purpose the state, through the department of natural resources, is authorized to clean up all dead and down timber, all underbrush, rotting logs, stumps, and all other ~~inflammable~~ *combustible* refuse and debris along each side of these highways, roads, and trails for a distance of 200 feet on each side from the center thereof, all of this material to be burned or disposed of under the supervision of a ~~forestry~~ *forest* officer in such manner as not to injure the growing timber.

All dead and usable timber taken out of these roadsides shall be piled for the immediate removal thereof by the owners of the land from which the same was removed.

Sec. 14. Minnesota Statutes 1992, section 88.06, is amended to read:

88.06 [DEAD OR DOWN TIMBER; REMOVAL.]

The commissioner may permit, under the commissioner's direct supervision and control, any civilian conservation corps, works progress administration, or other state or federal relief agency actually engaged in the improvement and conservation of state trust fund lands within the boundaries of any state forest to clean up and remove all dead or down timber, underbrush, rotting logs, stumps, and all other ~~inflammable~~ *combustible* refuse and debris which is deemed to be a fire hazard, or the removal of any trees in forest stand improvement and cultural operations which is advisable in the interest of good forest management; and to use so much of these cuttings for firewood and other forest development needs while these camps are thus actively engaged in the improvement and care of these forests.

Sec. 15. Minnesota Statutes 1992, section 88.065, is amended to read:

88.065 [EQUIPMENT FURNISHED.]

Subject to applicable provisions of state laws respecting purchases, the commissioner of natural resources may purchase for and furnish to any governmental subdivisions of the state authorized to engage in ~~forest fire~~ *wildfire* prevention or suppression materials or equipment therefor, and may transport, repair, and renovate ~~forest fire~~ *wildfire* prevention and suppression materials and equipment for governmental subdivisions of the state. The commissioner may use any funds available for the purchase of ~~forest fire~~ *wildfire* prevention or suppression equipment or for its repair, transportation, and renovation under federal grants, if permitted by the terms thereof, or under state appropriations, unless otherwise expressly provided. Except as otherwise authorized or permitted by federal or state laws or regulations, the governmental subdivision receiving any such materials or services shall reimburse the state for the cost. All moneys received in reimbursement shall be credited to the fund from which the purchase, transportation, repair, or renovation was made, and are hereby reappropriated annually and shall be available for the same purpose as the original appropriation.

Sec. 16. Minnesota Statutes 1992, section 88.067, is amended to read:

88.067 [TRAINING OF LOCAL FIRE DEPARTMENTS.]

The commissioner may make grants for training of ~~volunteer~~ fire departments in techniques of fire control that will enable them to assist the state more effectively in controlling ~~forest fires~~ *wildfires*. The commissioner may

require a local match for any grant. Training shall be provided to the extent practicable in coordination with other public agencies with training and educational responsibilities.

Sec. 17. Minnesota Statutes 1992, section 88.08, is amended to read:

88.08 [~~FOREST FIRE~~ *WILDFIRE* PROTECTION DISTRICTS.]

The commissioner may create and establish ~~forest fire~~ *wildfire* protection districts, including all lands of both state and private ownership, upon which there is a probability of ~~forest and brush fires~~ *wildfires* starting, and establish forest officers over these districts. All such ~~forest protection~~ *wildfire* districts heretofore established and now in existence are hereby continued until and unless hereafter abolished by the commissioner.

Sec. 18. Minnesota Statutes 1992, section 88.09, subdivision 2, is amended to read:

Subd. 2. [PURCHASE, LEASE, OR CONDEMNATION.] The commissioner may on behalf of the state, where no suitable state lands are available, purchase, lease or acquire easements on small tracts or parcels of lands, not exceeding 40 acres in area, ~~or costing more than $1500 for any single tract,~~ to be used as locations for fire lookout towers, warehouses, or other buildings of any kind, or as locations for firebreaks, or for any other use which the commissioner may deem suitable; also acquire by condemnation any tract of land, not exceeding 40 acres, for these purposes; also acquire, by gift, purchase, or condemnation, any easement or right of way that may be necessary to provide access to any tract of land so acquired.

Sec. 19. Minnesota Statutes 1992, section 88.10, is amended to read:

88.10 [FIGHTING ~~FOREST FIRES,~~ *WILDFIRES; PERFORMANCE OF DUTY;* AUTHORITY OF STATE FOREST OFFICERS.]

Subdivision 1. Under the direction of the commissioner, forest officers are charged with preventing and extinguishing ~~forest fires~~ *wildfires* in their respective districts and the performance of such other duties as may be required by the commissioner. They may arrest without warrant any person found violating any provisions of sections 88.03 to 88.22, take the person before a court of competent jurisdiction in the county charging the person so arrested, and the person so charged shall be arraigned and given a hearing on the complaint. The forest officers shall not be liable in civil action for trespass committed in the discharge of their duties. All authorized state forest officers, ~~including rangers, guards, township~~ fire wardens, *conservation officers,* smoke chasers, fire supervisors or individuals legally employed as firefighters, may in the performance of their duties of fire fighting go onto the property of any person, company, or corporation and in so doing may set backfires, dig or plow trenches, cut timber for clearing fire lines, dig water holes, remove fence wires to provide access to the fire or carry on all other customary activities necessary for the fighting of ~~forest, prairie or brush fires~~ *wildfires* without incurring a liability to anyone, except for damages arising out of willful or gross negligence.

Subd. 2. Any forest officer may serve any warrant for the arrest of any person violating any provision of sections 88.03 to 88.22 ~~and for that purpose all forest officers are hereby vested with the same powers as constables or other similar officers of the courts issuing such warrants~~.

Sec. 20. Minnesota Statutes 1992, section 88.11, subdivision 2, is amended to read:

Subd. 2. Any able-bodied person so summoned who refuses or neglects or otherwise fails to assist in extinguishing such fire or who fails to make all reasonable efforts to that end, until released by the summoning state employee, shall be guilty of a misdemeanor ~~and punished by a fine of not less than $10 and not more than $50 and the costs of prosecution, or by imprisonment in the county jail for not less than 10, nor more than 30, days~~. The forest officer shall have power to commandeer, for the time being, equipment, tools, appliances, or other property in the possession of any person either summoned to assist in extinguishing the fire or in the vicinity thereof, and to use, and to require the persons summoned to use, the commandeered property in the fighting and extinguishing of the fire. The owner of any property so commandeered shall be promptly paid just compensation for the use thereof and all damages done to the commandeered property while in this use by the forest officer from any money available for these expenses under sections 88.03 to ~~88.21~~ *88.22*.

Sec. 21. Minnesota Statutes 1992, section 88.12, is amended to read:

88.12 [COMPENSATION OF FIGHTERS OF ~~FOREST FIRES~~ *WILDFIRES*; EMERGENCY EXPENSES.]

Subdivision 1. [LIMITATION.] The compensation and expenses of persons temporarily employed in emergencies in suppression or control of ~~forest fires~~ *wildfires* shall be fixed by the commissioner of natural resources or an authorized agent and paid as provided by law. Such compensation shall not exceed the maximum rate for comparable labor established as provided by law or rules, but shall not be subject to any minimum rate so established. The commissioner is authorized to draw and expend *from* money appropriated for the purposes of sections 88.03 to ~~88.21~~ *88.22* a reasonable sum, ~~not to exceed $5,000 at any one time, and~~ through ~~forestry~~ *forest* officers or other authorized ~~agent be used in~~ *agents, for* paying emergency expenses, including just compensation for services rendered by persons summoned and for private property used, damaged, or appropriated under sections 88.03 to ~~88.21~~ *88.22*. The commissioner of finance is authorized to draw a warrant for this sum when duly approved by the commissioner. The commissioner or agent in charge shall take proper subvouchers or receipts from all persons to whom these moneys are paid, and after these subvouchers have been approved they shall be filed with the commissioner of finance. Authorized funds as herein provided at any time shall be deposited, subject to withdrawal or disbursement by check or otherwise for the purposes herein prescribed, in a bank authorized and bonded to receive state deposits; and the bond of this bank to the state shall cover and include this deposit.

Subd. 2. [CONTRACTS FOR SERVICES FOR FORESTRY OR ~~FIRE~~ *WILDFIRE* PREVENTION WORK; COMMISSIONS TO PERSONS EMPLOYED.] The commissioner is hereby authorized and empowered to contract for or accept the services of any and all persons whose aid is available, temporarily or otherwise, in forestry or ~~fire~~ *wildfire* prevention work, either gratuitously or for compensation not in excess of the limits provided by law with respect to the employment of labor by the commissioner. The commissioner may issue a commission, or other written evidence of authority, to any such person whose services are so arranged for; and may thereby empower such person to act, temporarily or otherwise, as fire warden,

or in any other capacity, with such powers and duties as may be specified in the commission or other written evidence of authority, but not in excess of the powers conferred by law on forest officers.

Sec. 22. Minnesota Statutes 1992, section 88.14, is amended to read:

88.14 [DISPOSAL OF SLASHINGS AND DEBRIS.]

Subdivision 1. Where and whenever in the judgment of the commissioner or any forest officer there is or may be danger of starting and spreading of ~~fires~~ *wildfires* from slashings and debris from the cutting of timber of any kind and for any purpose, or from any accumulation of sawdust, shavings, chips, bark, edgings, slabs, or other ~~inflammable~~ *combustible* refuse from the manufacture of lumber or other timber products the commissioner, or forest officer, shall order the person by or for whom the timber or timber products have been or are being cut or manufactured to dispose of such slashings, debris, or refuse as the state employee may direct. Where conditions do not permit the burning of the slashings, debris, or refuse over the entire area so covered, the commissioner may require ~~such~~ *the* person to dispose of the ~~same~~ *materials* in such a way as to establish a safe fire line around the area requiring such protection, the fire line to be of a width and character satisfactory to the commissioner, or otherwise to dispose of the ~~same~~ *materials* so as to eliminate the ~~fire~~ *wildfire* hazard therefrom.

Subd. 2. When ~~any~~ *a* person who has been directed by the commissioner~~,~~ or *a* forest ~~officers~~ *officer* to dispose of such slashings, debris, or refuse fails to comply with these directions the person ~~shall be deemed~~ *is* guilty of a misdemeanor ~~; and, on conviction thereof, punished by a fine of not less than $25, and not exceeding $100, and costs of prosecution; or by imprisonment in the county jail for not less than ten and not exceeding 90 days, and each day during which the failure to comply with the requirements of the commissioner continues shall be deemed a separate and distinct violation of sections 88.02 to 88.21; but any number of these offenses may be prosecuted as separate counts of one charge or information~~.

Subd. 3. When any such slashings, debris, or refuse are not disposed of or are left unattended *for more than 30 days*, contrary to the instructions of the commissioner~~,~~ or forest officer, the commissioner~~,~~ or ~~any~~ *a* forest officer or fire warden~~,~~ may go upon the premises with as many workers as may be necessary and burn or otherwise dispose of the ~~same~~ *materials* and the expense thereof ~~shall be~~ *is* a lien ~~upon~~ *on* the land on which they are situated and ~~upon all~~ *on* contiguous lands of the same owner, and also upon ~~all~~ logs and other timber products cut or manufactured ~~upon all these~~ *on the* lands. This lien ~~shall have~~ *has* the same effect and may be enforced in the same manner as a judgment in favor of the state for money. An itemized statement verified by the oath of the commissioner~~,~~ or forest officer~~,~~ of the amount of the costs and expenses incurred in burning or otherwise disposing of these slashings, debris, or refuse ~~shall~~ *must* be filed, within 90 days from the time the disposal ~~thereof~~ is completed, in the office of the county recorder of *the* county in which the timber or timber products were cut or manufactured; and the amount of the lien ~~shall be~~ *is* a valid claim that may be collected in a civil action from the person who cut or manufactured the wood, timber, or timber products from which the slashings, debris, or refuse were produced. Any moneys so collected ~~shall~~ *must* be paid into the state treasury and credited to the general fund.

Subd. 4. ~~Any~~ *A* person who cuts or fells trees or bushes ~~of any kind~~ in clearing land for ~~any~~ *a* roadbed or right-of-way for ~~any~~ *a* railroad, highway, or trail shall, in the manner and at the time as above prescribed, ~~burn the slashings and~~ *properly dispose of* all combustible material~~, except fuel and merchantable timber, which shall be promptly removed~~.

Subd. 5. ~~Any~~ *A* person who cuts or fells trees or bushes ~~of any kind~~ in clearing land ~~for any purpose is hereby prohibited from setting~~ *may not set* fire to any slashings, brush, roots, or excavated stumps or other combustible material on ~~such~~ *the* land ~~and letting the fire run; but~~, *and* the ~~same~~ *materials* must be disposed of ~~pursuant to the~~ *in accordance with* rules or directions of the commissioner.

Subd. 6. ~~Any~~ *A* contractor who enters into a contract for the construction of a public road or other work~~, which~~ *that* involves the cutting or grubbing of woods, standing timber, or brush~~,~~ shall ~~pile in the middle of the right of way all the slashings and debris so cut or grubbed therefrom and burn and~~ *properly* dispose of ~~such~~ *the* slashings and debris without damage to adjoining timber or woods~~, which burning shall be done in a manner and at a time satisfactory to the commissioner~~. The foregoing provisions ~~shall~~ *do* not prevent the leaving of such trees along roads as will be useful for ornamental and shade purposes and ~~which~~ *that* will not interfere with travel.

Subd. 7. ~~Every~~ *A* contract made by or on behalf of ~~any~~ *a* municipality or political subdivision of this state ~~which~~ *that* involves the cutting of ~~any~~ timber on the ~~right of way~~ *right-of-way* of a public highway ~~shall~~ *must* provide ~~in terms~~ for compliance with the foregoing provisions, but the failure to include this provision in the contract ~~shall~~ *does* not relieve the contractor from the duty to ~~burn and~~ *properly* dispose of these slashings.

Subd. 8. In ~~all~~ cases not ~~herein~~ provided for *in subdivisions 1 to 7*, where timber is cut in, upon, or adjoining ~~any~~ forest land and no specific directions are given by the commissioner~~,~~ or forest officer~~,~~ for the disposal of slashings and debris resulting therefrom, all ~~such~~ slashings and debris within 200 feet of ~~any~~ adjoining timber land or ~~any~~ *a* public highway, railroad, portage, or lake shore~~, shall nevertheless be piled in separate and compact piles ready for burning, which piling shall be done~~ *must be properly disposed of* by the person by or for whom the timber was cut ~~within 15 days after such timber was cut and such person shall thereafter make such further disposition of such slashings and debris as the commissioner, or forest officer, may direct~~.

Subd. 9. ~~No~~ Sawdust, shavings, chips, bark, edgings, slabs, or other ~~inflammable~~ *combustible* refuse ~~from the manufacture of lumber or other timber products shall~~ *that the commissioner or an agent of the commissioner determines to be a wildfire hazard may not* be made or deposited upon any public highway, portage, railroad, or lake shore, or within 100 feet thereof.

Sec. 23. Minnesota Statutes 1992, section 88.15, is amended to read:

88.15 [~~CAMP FIRES~~ *CAMPFIRES*.]

Subdivision 1. [EXTINGUISHMENT.] ~~Any road overseer or assistant of a road overseer or other local officer having charge of any highway, or any state trooper,~~ *A forest officer, conservation officer, or other peace officer* who finds that ~~any~~ *a* person has left a ~~camp fire~~ *campfire* burning ~~in the officer's district~~ shall *take measures to* extinguish the ~~same~~ *fire* and take ~~prompt measures to~~

~~prosecute~~ *action against* the person ~~who so left the fire~~ *or persons responsible for leaving the campfire burning.*

Subd. 2. [NOT TO BE LEFT BURNING.] ~~Every~~ *A* person who ~~when the ground is not covered with snow~~ starts a ~~fire in the vicinity of forest or prairie land~~ *campfire* shall exercise every reasonable precaution to prevent the ~~fire~~ *campfire* from spreading and shall before lighting the ~~same~~ *campfire* clear the ground of all ~~branches, brushwood, dry leaves, and other~~ combustible material within a radius of five feet from the ~~fire, and keep the fire under immediate personal supervision and control at all times, and carefully extinguish the fire before quitting the place~~ *base of the campfire. The person lighting the campfire shall remain with the campfire at all times and shall completely extinguish the campfire before leaving the site.*

Sec. 24. Minnesota Statutes 1992, section 88.16, is amended to read:

88.16 [STARTING FIRES; ~~CAMPFIRES; INCINERATORS; BURNING BAN~~ *BURNERS; FAILURE TO REPORT A FIRE.*]

Subdivision 1. Except as provided in subdivision 2, it ~~shall be~~ *is* unlawful~~, when the ground is not snow covered, in any place where there are standing or growing native coniferous trees, or in areas of ground from which natural coniferous trees have been cut, or where there are slashings of such trees, or native brush, timber, slashings thereof, or excavated stumps, or where there is peat or peat roots excavated or growing,~~ to start or have ~~any~~ *an* open fire without the written permission of the commissioner ~~or other authorized~~, *a* forest officer, *or an authorized fire warden.*

Subd. 2. ~~No~~ *A* permit is *not* required for the following ~~open~~ fires:

~~(a) A cooking or warming fire contained in a fireplace, firering, charcoal grill, portable gas or liquid fueled camp stove or other similar container or device designed for the purpose of cooking or heating, or if the area within a radius of five feet of the fire is reasonably clear of all combustible material.~~

~~(b) The burning of grass, leaves, rubbish, garbage, branches, and similar combustible material in an approved incinerator. An approved incinerator shall be constructed of fire resistant material, have a capacity of at least three bushels, be maintained with a minimum burning capacity of at least two bushels, and have a cover which is closed when in use and openings in the top or sides of one inch maximum diameter. No combustible material shall be nearer than three feet to the burner or incinerator when in use.~~ *(1) a fire started when the ground is snow-covered, except as provided in section 88.17, subdivision 3;*

(2) a campfire;

(3) a fire contained in a charcoal grill, camp stove, or other device designed for the purpose of cooking or heating; or

(4) a fire to burn dried vegetative materials and other materials allowed by law or rule in a burner of a design that has been approved by the commissioner if:

(i) the area within five feet of the base of the burner is reasonably clear of combustible material; and

(ii) the burner is in use only between the hours of 6:00 p.m. and 8:00 a.m. of the following day.

Subd. 3. ~~The occupant of any premises upon which any~~ *A person with knowledge that an* unauthorized fire is burning ~~in the vicinity of forest lands~~ *on property occupied by the person*, whether the fire was started by the occupant or otherwise, shall promptly report the fire to the ~~commissioner, or to the nearest forest officer or fire warden~~ *nearest forestry office, fire department, or other proper authority*. Failure to make this report shall be ~~deemed a violation of sections 88.03 to 88.22~~ *a misdemeanor* and the occupant of the premises shall be deemed prima facie guilty of negligence if the unreported fire spreads from the ~~premises to the~~ *property or causes* damage, loss, or injury ~~of the state or any person~~ *to another person, that person's property, or the state*.

Sec. 25. Minnesota Statutes 1992, section 88.17, subdivision 1, is amended to read:

Subdivision 1. ~~Permission~~ *A permit* to ~~set~~ *start a* fire to ~~any grass, stubble, peat, brush, raking of leaves, rubbish, garbage, branches, slashings or woods for the purpose of cleanup, clearing and improving land or preventing other fire shall~~ *burn vegetative materials and other materials allowed by law or rule may* be given ~~whenever the same may be safely burned, upon such reasonable conditions and restrictions as the commissioner may prescribe, to prevent same from spreading and getting beyond control~~ *by the commissioner or the commissioner's agent*. ~~This permission shall~~ *The permit must* be ~~in the form of a written permit~~ signed by a ~~regular~~ forest officer, *fire warden, authorized agent of the pollution control agency,* or ~~some~~ other ~~suitable~~ person ~~to be designated~~ *authorized* by the *forest* officer, ~~as town fire warden, these permits to be on forms furnished by the commissioner. Any person setting any fire or burning anything under such permit shall keep~~ *and must set the time and conditions under which the fire may be started and burned. The permit must also specifically list the materials that may be burned. The permittee must have* the permit ~~in immediate possession while so engaged~~ *on the permittee's person* and *shall* produce ~~and exhibit~~ the permit *for inspection when requested* to ~~any~~ *do so by a* forest officer, ~~when requested to do so~~ *conservation officer, or other peace officer. The permittee shall remain with the fire at all times and before leaving the site shall completely extinguish the fire. A person may not start or cause a fire to be started on land that is not owned by or under the legal control of the person without the written permission of the owner or lessee of the land or an agent of the owner or lessee. Violation of the permit conditions is a misdemeanor and is cause for the permit to be revoked.*

Sec. 26. Minnesota Statutes 1992, section 88.17, is amended by adding a subdivision to read:

Subd. 3. [SPECIAL PERMITS.] *(a) The special permits described in paragraphs (b) and (c) are required for the specified activities, even when the ground is snow-covered.*

(b) The commissioner or an authorized agent of the commissioner may issue a permit to start a fire for the instruction and training of firefighters, including liquid fuels training. Except for owners or operators conducting fire training in specialized industrial settings under applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must follow the techniques described in "Structural Burn Training Procedures for the Minnesota Technical College System," issued by the Minnesota technical college system (Saint Paul, 1992).

(c) The commissioner or an authorized agent of the commissioner may issue a permit for the operation of a permanent open burning site. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. The owner or operator of a permanent open burning site in existence on August 1, 1993, must submit an application for a permit by November 1, 1993. Applications for new open burning sites must be submitted at least 90 days before the date of the proposed operation of the site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one-mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or another method may be burned at a permanent open burning site. A permanent open burning site must be located so as not to create a nuisance or endanger water quality.

For the purposes of this paragraph, "permanent open burning site" means a site at which open burning occurs continually for two or more weeks or at which there is recurring intermittent open burning of large volumes of vegetative material.

Sec. 27. [88.171] [OPEN BURNING PROHIBITIONS.]

Subdivision 1. [CONTINUAL.] *The prohibitions in this section are in effect at all times of the year.*

Subd. 2. [PROHIBITED MATERIALS.] *A person may not conduct, cause, or permit open burning of oils, rubber, plastics, chemically-treated materials, or other materials that produce excessive or noxious smoke, including tires, railroad ties, chemically-treated lumber, composite shingles, tar paper, insulation, composition board, sheetrock, wiring, paint, or paint filters.*

Subd. 3. [HAZARDOUS WASTES.] *A person may not conduct, cause, or permit open burning of hazardous waste as defined in section 116.06, subdivision 11, and applicable rules of the pollution control agency.*

Subd. 4. [INDUSTRIAL SOLID WASTE.] *A person may not conduct, cause, or permit open burning of solid waste generated from an industrial or manufacturing process or from a service or commercial structure.*

Subd. 5. [DEMOLITION DEBRIS.] *A person may not conduct, cause, or permit open burning of burnable building material generated from demolition of commercial or institutional structures. A farm building is not a commercial structure for the purposes of this subdivision.*

Subd. 6. [SALVAGE OPERATIONS.] *A person may not conduct, cause, or permit salvage operations by open burning.*

Subd. 7. [MOTOR VEHICLES.] *A person may not conduct, cause, or permit the processing of motor vehicles by open burning.*

Subd. 8. [GARBAGE.] *A person may not conduct, cause, or permit open burning of discarded material resulting from the handling, processing, storage, preparation, serving, or consumption of food, unless specifically allowed under section 17.135.*

Subd. 9. [BURNING BAN.] *A person may not conduct, cause, or permit open burning during a burning ban put into effect by a county or other local authority or a state department or agency.*

Subd. 10. [SMOLDERING FIRES.] *A person may not allow a fire to smolder with no flame present, except when the fire is conducted for the purpose of managing forests, prairies, or wildlife habitats.*

Sec. 28. Minnesota Statutes 1992, section 88.18, is amended to read:

88.18 [FIRE WARDENS.]

The commissioner may appoint ~~supervisors, constables, and clerks of towns, mayors of cities, and presidents or presiding officers of city councils~~ *local government officials, authorized agents of the pollution control agency, fire chiefs,* or other responsible persons to be fire wardens ~~for~~ *in* their respective districts~~; and they shall do all things reasonably necessary to protect the property of such municipalities from fire and to extinguish the same~~.

Sec. 29. [88.195] [PENALTIES.]

Subdivision 1. [FAILURE TO EXTINGUISH A FIRE.] *A person who starts and fails to control or extinguish a fire, whether on property owned by the person or on the property of another, before the fire endangers or causes damage to the property of another person or the state is guilty of a misdemeanor.*

Subd. 2. [FAILURE TO CONTROL A PERMIT FIRE.] *A person who has a burning permit and fails to keep the permitted fire contained within the area described in the burning permit or who fails to keep the fire restricted to the materials listed in the burning permit is guilty of a misdemeanor.*

Subd. 3. [CARELESS OR NEGLIGENT ACTS.] *(a) A person who carelessly or negligently starts a fire that endangers or causes damage to the property of another person or the state is guilty of a misdemeanor.*

(b) A person who participates in an act involving careless or negligent use of a motor vehicle, other internal combustion engines, firearms with tracers or combustible wads, fireworks, smoking materials, electric fences, torches, flares, or other burning or smoldering substances whereby a fire is started and is not immediately extinguished before the fire endangers or causes damage to the property of another person or the state is guilty of a misdemeanor.

Sec. 30. Minnesota Statutes 1992, section 88.22, is amended to read:

88.22 [~~FOREST FIRE~~ *WILDFIRE* PREVENTION; CLOSING FOREST ROADS AND TRAILS; PROHIBITING OPEN FIRES AND SMOKING; REGULATING PRIVATE AND PUBLIC DUMPING AREAS; PENALTIES.]

Subdivision 1. *(a)* When the commissioner of natural resources shall determine that conditions conducive to ~~forest fire~~ *wildfire* hazards exist in the ~~forest~~ *wildfire* areas of the state and that the presence of persons in the ~~forest~~ *wildfire* areas tends to aggravate ~~forest fire~~ *wildfire* hazards, render forest trails impassable by driving thereon during wet seasons and hampers the effective enforcement of state timber trespass and game laws, the commissioner may by written order, close any road or trail leading into any land used for any conservation purposes, to all modes of travel except that considered essential such as residents traveling to and from their homes or in other cases to be determined by the authorized forest officers assigned to guard the area.

(b) The commissioner may also, upon such determination, by written order, suspend the issuance of permits for open fires, revoke or suspend the operation of a permit previously issued and, to the extent the commissioner deems necessary, prohibit the building of all or some kinds of open fires in all or any part of a ~~forest~~ *wildfire* area regardless of whether a permit is otherwise required; and the commissioner also may, by written order, prohibit smoking except at places of habitation or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

Subd. 2. The commissioner may close any public or private dumping area, by posting such area as closed to dumping, whenever the commissioner deems it necessary for the prevention of ~~forest fires~~ *wildfires*. Thereafter no person shall deposit refuse of any kind within or adjacent to such closed area, or along the road leading thereto.

The commissioner shall establish such minimum standards governing public and private dumping areas as the commissioner deems necessary for the prevention of ~~forest fires~~ *wildfires*.

Subd. 3. ~~Any violations~~ *A violation* of this section ~~shall constitute~~ *is* a misdemeanor.

Sec. 31. [REPEALER.]

Minnesota Statutes 1992, sections 88.17, subdivision 2; and 88.19; and Laws 1992, chapter 556, sections 10 and 11, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for the prevention and suppression of wildfires; providing penalties; amending Minnesota Statutes 1992, sections 88.01, subdivisions 2, 6, 8, 15, 23, and by adding subdivisions; 88.02; 88.03; 88.04; 88.041; 88.05; 88.06; 88.065; 88.067; 88.08; 88.09, subdivision 2; 88.10; 88.11, subdivision 2; 88.12; 88.14; 88.15; 88.16; 88.17, subdivision 1, and by adding a subdivision; 88.18; and 88.22; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 1992, sections 88.17, subdivision 2; and 88.19; and Laws 1992, chapter 556, sections 10 and 11."

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. 832: A bill for an act relating to occupations and professions; regulating athletic trainers; establishing an advisory council; providing for registration; requiring fees; providing for rulemaking; imposing penalties;

appropriating money; amending Minnesota Statutes 1992, section 116J.70, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 148.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations and Reform. Report adopted.

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

S.F. No. 685: A bill for an act relating to retirement; the Minneapolis fire department relief association; setting service pension rates; repealing Laws 1971, chapter 542.

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

Page 1, after line 5, insert:

"ARTICLE 1

MINNEAPOLIS FIRE BENEFIT INCREASE"

Page 1, line 8, delete "*1972*" and insert "*1971*" and after the third comma, insert "*section 1,*"

Page 1, line 9, after "*9*" insert ", *to the contrary*" and delete "*of*" and insert "*payable by the*"

Page 1, line 10, delete "*retiring*" and insert "*terminating active service as a Minneapolis firefighter*"

Page 1, line 11, delete "*will*" and insert "*must*"

Page 1, after line 11, insert:

"*length of*	*service*
credited service	*pension payable*"

Page 2, line 11, delete "*Section 1 is*" and insert "*Sections 1 and 2 are*"

Page 2, line 13, delete "*is*" and insert "*does*"

Page 2, line 14, delete "*retroactive for members retiring*" and insert "*apply to members of the Minneapolis fire department relief association who terminated active service as a Minneapolis firefighter*"

Page 2, after line 14, insert:

"ARTICLE 2

CONFORMING CHANGES

Section 1. Minnesota Statutes 1992, section 353B.07, subdivision 3, is amended to read:

Subd. 3. [FORMULA PERCENTAGE RATE.] (a) The formula percentage rate shall be 2.333 percent per year of allowable service for each of the first 20 years of allowable service, 1.333 percent per year of allowable service for

each year of allowable service in excess of 20 years but not in excess of 27 years, and .5 percent for each year of allowable service in excess of 25 years for the former members of the following consolidating relief associations:

(1) Rochester fire department relief association;

(2) Rochester police relief association;

(3) St. Cloud fire department relief association;

(4) St. Cloud police relief association;

(5) St. Louis Park police relief association; and

(6) Winona police relief association.

(b) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service for the former members of the following consolidating relief associations:

(1) Albert Lea police relief association;

(2) Anoka police relief association;

(3) Faribault fire department relief association;

(4) Faribault police benefit association;

(5) Mankato police benefit association;

(6) Red Wing police relief association; and

(7) West St. Paul police relief association.

(c) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service and .5 percent per year of allowable service for each year of service in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

(1) Austin firefighters relief association;

(2) Austin police relief association;

(3) South St. Paul firefighters relief association;

(4) South St. Paul police relief association; and

(5) Virginia police relief association.

(d) The formula percentage rate shall be 2.1875 percent per year of allowable service for each of the first 20 years of allowable service and 1.25 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service but not in excess of 27 years of allowable service for the former members of the following consolidating relief associations:

(1) Bloomington police relief associations; and

(2) Columbia Heights police relief association.

(e) The formula percentage rate shall be 2.65 percent per year of allowable service for each of the first 20 years of allowable service and an additional annual benefit of $120 per year of allowable service in excess of 20 years of

allowable service but not in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

(1) Hibbing firefighters relief association; and

(2) Hibbing police relief association.

(f) The formula percentage rate or rates shall be the following for the former members of the consolidating relief associations as indicated:

(1) 2.5 percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Albert Lea firefighters relief association;

(2) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to top grade patrol officer's salary base, Brainerd police relief association;

(3) 4.25 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of $10 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Buhl police relief association;

(4) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of $5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Chisholm firefighters relief association;

(5) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of $5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, Chisholm police relief association;

(6) 2.1875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and 1.75 percent per year of allowable service in excess of 25 years of allowable service, Columbia Heights fire department relief association, paid division;

(7) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and 1.5 percent per year of allowable service rendered after attaining the age of 60 years, Crookston fire department relief association;

(8) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;

(9) 2.25 percent per year of allowable service for each year of the first 20 years of allowable service and 1.25 percent per year of allowable service in excess of 20 years of allowable service, but not more than 27 years of service, Crystal police relief association;

(10) 1.99063 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth firefighters relief association;

(11) 1.9875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth police relief association;

(12) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service, and two percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and not to include any year of allowable service rendered after attaining the age of 55 years, Fairmont police benefit association;

(13) two percent per year of allowable service for each year of the first ten years of allowable service, 2.67 percent per year of allowable service in excess of ten years of allowable service but not more than 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of service but not more than 27 years of allowable service, Fridley police pension association;

(14) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and an additional annual amount of $30 per year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, Mankato fire department relief association;

(15) *for members who terminated active service as a Minneapolis firefighter before June 1, 1993,* 2.0625 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service and five percent for the 25th year of allowable service, *and for members who terminated active service as a Minneapolis firefighter after May 31, 1993, two percent for each year of the first 19 years of allowable service, 3.25 percent for the 20th year of allowable service, and two percent per year of allowable service in excess of 20 years of service, but not more than 25 years of allowable service,* Minneapolis fire department relief association;

(16) 2.125 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service, and five percent for the 25th year of allowable service, Minneapolis police relief association;

(17) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to highest patrol officer's salary base plus .5 percent of the final salary base per year of allowable service for each of the first three years of allowable service in excess of 20 years of allowable service, New Ulm police relief association;

(18) two percent per year of allowable service for each of the first 25 years of allowable service and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Red Wing fire department relief association;

(19) 2.55 percent per year of allowable service for each of the first 20 years of allowable service, Richfield fire department relief association;

(20) 2.4 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service but not more than 27 years of allowable service, Richfield police relief association;

(21) for a former member with less than 20 years of allowable service on June 16, 1985, 2.6 percent, and for a former member with 20 or more years of allowable service on June 16, 1985, 2.6175 percent for each of the first 20 years of allowable service and, for each former member, one percent for each year of allowable service in excess of 20 years, but no more than 30 years, St. Louis Park fire department relief association;

(22) 1.9375 percent per year of allowable service for each of the first 20 years of allowable service, 2.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul fire department relief association;

(23) two percent per year of allowable service for each of the first 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul police relief association;

(24) 2.25 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years, Virginia fire department relief association;

(25) two percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years but not more than 24 years of allowable service, three percent for the 25th year of allowable service and one percent per year of allowable service in excess of 25 years of allowable service but not more than 30 years of allowable service, West St. Paul firefighters relief association; and

(26) 2.333 percent for each of the first 20 years of allowable service, 1.333 percent for each year of allowable service in excess of 20 years but no more than 28 years, and .5 percent for each year of allowable service in excess of 25 years, Winona fire department relief association.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the effective date of article 1, section 1."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1992, section 352B.07, subdivision 3;"

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

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

H.F. No. 477 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
477	76				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 783 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
783	656				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 520 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
520	528				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1153 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1153	984				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1404 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1404	1005				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1404 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1404 and insert the language after the enacting clause of S.F. No. 1005, the first engrossment; further, delete the title of H.F. No. 1404 and insert the title of S.F. No. 1005, the first engrossment.

And when so amended H.F. No. 1404 will be identical to S.F. No. 1005, and further recommends that H.F. No. 1404 be given its second reading and substituted for S.F. No. 1005, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 945 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
945	991				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 945 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 945 and insert the language after the enacting clause of S.F. No. 991, the first engrossment; further, delete the title of H.F. No. 945 and insert the title of S.F. No. 991, the first engrossment.

And when so amended H.F. No. 945 will be identical to S.F. No. 991, and further recommends that H.F. No. 945 be given its second reading and substituted for S.F. No. 991, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 806 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
806	666				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 670 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
670	769				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 670 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 670 and insert the language after the enacting clause of S.F. No. 769, the first engrossment; further, delete the title of H.F. No. 670 and insert the title of S.F. No. 769, the first engrossment.

And when so amended H.F. No. 670 will be identical to S.F. No. 769, and further recommends that H.F. No. 670 be given its second reading and substituted for S.F. No. 769, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 667 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
667	587				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 667 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 667 and insert the language after the enacting clause of S.F. No. 587, the first engrossment; further, delete the title of H.F. No. 667 and insert the title of S.F. No. 587, the first engrossment.

And when so amended H.F. No. 667 will be identical to S.F. No. 587, and further recommends that H.F. No. 667 be given its second reading and substituted for S.F. No. 587, and that the Senate File be indefinitely postponed.

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

Ms. Piper from the Committee on Family Services, to which was referred

S.F. No. 1361: A bill for an act relating to the legislative commission on children, youth, and their families; authorizing the commission to hire staff; prescribing duties of other state officers; changing certain reporting requirements; directing the governor to consult with the commission when making certain program transfers; providing grants for community-based programs; appropriating money; amending Minnesota Statutes 1992, section 3.873, subdivisions 4, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 4.

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

Page 1, lines 15 to 17, delete the new language and insert "*The legislative coordinating commission shall supply the commission with the necessary staff, office space, and administrative services.*"

Page 1, lines 23 and 24, reinstate the stricken language and delete the new language

Page 2, lines 2 to 6, delete the new language

Page 2, line 15, reinstate the stricken "(d)" and delete "*(e)*"

Page 2, line 21, reinstate the stricken "(e)" and delete "*(f)*"

Page 2, line 24, delete "*at least four times per year*"

Pages 5 to 7, delete sections 6 to 8 and insert:

"Sec. 6. [121.834] [CITATION; PURPOSE.]

Subdivision 1. **[CITATION.]** *Sections 6 to 9 may be cited as the "family services collaboratives act."*

Subd. 2. **[PURPOSE.]** *The purposes of family services collaboratives are to:*

(1) ensure inclusive and effective support for young children and their families that will result in:

(i) reduced numbers of low birthweight infants;

(ii) increased numbers of children who are adequately immunized and healthy;

(iii) improved child and family nutrition;

(iv) decreased numbers of young children requiring out-of-home placement;

(v) improved family functioning to promote and support healthy child development;

(vi) improved prospects for high academic achievement for all children entering school;

(vii) improved early identification of children with learning difficulties;

(viii) decreased numbers of children requiring long-term special education services; and

(ix) increased parental knowledge of child development and parenting skills;

(2) provide for the most effective and efficient delivery of services necessary to meet the needs of young children and their families through:

(i) seamless coordination of education services, social services, and health services for pregnant women and young children, birth to age six, and their families;

(ii) greater flexibility for local decision-makers to provide family support in their communities;

(iii) improved efficiency in the use of existing available resources;

(iv) increased incentives for earlier identification and intervention;

(v) utilization of culturally specific services for children and families of color;

(vi) increased utilization of the strengths and resources of local communities, neighborhoods, and families; and

(vii) pooling of state, local, and private funds to provide integrated services, supplemental services, and to procure additional federal or private funds.

Sec. 7. [121.835] [FAMILY SERVICES COLLABORATIVES.]

Subdivision 1. [ESTABLISHMENT.] *In order to qualify as a family services collaborative, a minimum of one school district and one county must enter into an agreement to provide coordinated family services and to commit resources to an integrated fund. Collaboratives are strongly encouraged to include other local providers, including additional school districts and counties, other municipalities, local health organizations, private and non-profit service providers, child care providers, local foundations, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and churches which provide nonsectarian services.*

Subd. 2. [DUTIES.] *Each family services collaborative shall:*

(1) design and implement an integrated local service delivery system for young children and their families which coordinates services across agencies and is client centered. The delivery system shall provide a continuum of services for children through the age of 18, but the greatest emphasis shall be placed on support for pregnant women and for children from birth to age six;

(2) encourage coordination through co-location of services, shared staff, and integrated data processing systems;

(3) identify a service delivery area;

(4) identify federal, state, and local institutional barriers to coordination of services and suggest ways to remove these barriers;

(5) establish an integrated fund from federal, state, local, and private sources to provide integrated and supplemental services;

(6) seek to maximize federal and private funds by designating local expenditures for services that can be matched with federal or private grant dollars and by designing services to meet the requirements for state and federal reimbursement;

(7) develop mechanisms to identify outcomes and develop assessments to measure the effectiveness of the services provided by the family services collaborative;

(8) negotiate contracts with state agencies and other funding sources to receive additional funds to help meet the goals of the local family services collaborative; and

(9) establish management and information systems to ensure fiscal accountability.

Subd. 3. [INTEGRATED LOCAL SERVICE DELIVERY SYSTEM.] *A family services collaborative shall design an integrated local service delivery system that coordinates services between existing agencies and funding streams. The local service delivery system must include an extensive home-visit component. The integrated local service delivery system must provide for:*

(1) improved outreach, early identification, and intervention across systems;

(2) a system of inclusion to provide access for support to all families within a community;

(3) coordinated services that eliminate the need to match clients with multiple providers, funding streams, and provider eligibilities;

(4) improved access to services through coordinated transportation services;

(5) a home-visit component that provides a support system to new mothers that includes one visit in the hospital at birth and at least one follow-up home visit within one week of birth for all children, and continuous visits to the homes of children who are potentially at risk;

(6) coordinated assessment across systems that determines which children and families need multiagency service coordination and supplemental services;

(7) multiagency service plans and unitary case management coordination; and

(8) integrated funding.

Subd. 4. [INTEGRATED FUND.] *A family services collaborative must establish an integrated fund to help provide an integrated service system and to fund additional supplemental services. The integrated fund may consist of federal, state, local, and private resources. The family services collaborative agreement must specify a minimum financial commitment by the participants to an integrated fund. Participants may not reduce their financial commitment except as specified in the agreement.*

Sec. 8. [121.836] [IMPLEMENTATION.]

Subdivision 1. [INTERAGENCY FAMILY SERVICES TEAM.] *The interagency family services team shall consist of the commissioners, or their designees, of education, human services, jobs and training, public safety, corrections, finance, health, transportation, and the director of the office of strategic and long-range planning or designee. The members of the interagency family services team shall designate one member to serve as chair. No member may serve as chair for more than one year consecutively. The chair is responsible for ensuring that the duties of the interagency family services team are carried out.*

Subd. 2. [APPLICATIONS FOR PLANNING AND START-UP GRANTS FOR FAMILY SERVICES COLLABORATIVES.] *By July 1, 1993, the interagency family services team shall publish the procedures for awarding planning and start-up grants. Applications for local family services collaboratives shall be obtained through the commissioner of education, human services, or health and must be submitted to the family services interagency team. The application must provide the amount of the start-up grant requested by the family services collaborative and how the collaborative will use these funds.*

Subd. 3. [DISTRIBUTION OF PLANNING START-UP GRANTS.] *By October 1, 1993, the interagency family services team must ensure the distribution of one-half of the appropriation of planning and start-up grants*

to family services collaboratives that meet the requirements under section 7 and which have been approved by the interagency family services team. The remaining appropriation for planning and start-up grants must be distributed by December 31, 1993. If the number of applications received exceeds the number of local family services collaboratives that can be funded, the funds must be geographically distributed across the state and balanced between the seven-county metropolitan area and the rest of the state.

Subd. 4. [FAMILY SERVICES COLLABORATIVE PROGRAM GRANTS.] *A family services collaborative that received a planning and start-up grant may be eligible to receive a family services collaborative program grant. To apply for a family services collaborative program grant, a family services collaborative must submit a plan to the interagency family services team by either December 1, 1993, or July 1, 1994. The plan must meet the requirements under subdivision 5 and specify the amount of the program grant requested and how the funds will be used. The program grant money may not be used for administrative expenses. One-half of the appropriation available for family services collaborative program grants must be awarded to family services collaboratives with approved plans received by December 31, 1993. The remaining appropriation is available for grants to family services collaboratives with plans approved after July 1, 1994. The interagency family services team shall review a proposal and notify the family services collaborative as to whether or not a plan has been approved within 60 days of receiving a plan.*

Subd. 5. [LOCAL PLANS.] *The family services collaborative plan shall describe how the family services collaborative will carry out the duties and implement the integrated local services delivery system required under section 7. The plan shall include a list of the participants in the collaborative, a copy of the agreement required under section 7, subdivision 1, the amount and source of resources each participant will commit to the integrated fund, methods for increasing local participation in the collaborative, methods for involving parents and other members of the community in the implementation and operation of the collaborative, and methods for providing effective outreach services to all families with young children in the community. The plan shall also include specific goals that the collaborative intends to achieve and methods for objectively measuring progress toward meeting the goals, which at a minimum must address the purposes established in section 6.*

Subd. 6. [PLAN APPROVAL BY THE INTERAGENCY FAMILY SERVICES TEAM.] *(a) The interagency family services team shall approve local plans for family services collaboratives. In approving local plans, the interagency family services team shall give highest priority to a plan which provides for:*

(1) effective service coordination;

(2) maximum inclusion of jurisdictions and various local, county, and state funding sources;

(3) maximum integration of existing community service providers and local resources;

(4) integration of transportation services;

(5) early intervention and family outreach;

(6) home visitation services;

(7) a continuum of services for children from birth to age 18;

(8) culturally aware service delivery approaches and utilization of culturally specific organizations;

(9) clearly defined outcomes and methods of assessment; and

(10) coordination with other local services collaboratives authorized by law.

(b) The interagency family services team shall ensure that the family services collaboratives established are not in contradiction with any state or federal policy or program and that they are not implemented in such a manner as to have negative impact on the state budget.

Subd. 7. [REPORTS BY FAMILY SERVICES COLLABORATIVES.] *Family services collaboratives receiving family services collaborative program grants must submit a report to the interagency family services team. The report shall include a description of the progress made by the family services collaborative toward implementing the local plan, the use of funds received through a family services collaborative program grant, the number and type of clients served, and the types of services provided. The report shall be submitted to the interagency family services team by December 31, 1994, by family services collaboratives whose local plan was approved no later than December 31, 1993, and by July 1, 1995, for those family services collaboratives whose local plan was approved no later than July 1, 1994. Within two years of the date on which a family services collaborative received a family services collaborative program grant, a family services collaborative shall submit a report to the family services interagency team describing the results of assessments measuring the extent to which the family services collaborative has achieved the outcomes developed under section 7, subdivision 2, clause (7).*

Sec. 9. [121.837] [FEDERAL REVENUE ENHANCEMENT.]

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] *The commissioner of human services may enter into an agreement with one or more family services collaboratives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. The commissioner shall have the following authority and responsibilities regarding family services collaboratives:*

(1) the commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section;

(2) the commissioner shall pay the federal reimbursement earned under this subdivision to each collaborative based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to collaboratives for expenditures under this subdivision will only be made of federal earnings from services provided by the collaborative;

(3) the commissioner shall review expenditures of family services collaboratives using reports specified in the agreement with the collaborative to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand education, social, health, or health-related services to young children and their families;

(4) the commissioner may reduce, suspend, or eliminate a family services collaborative's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:

(i) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(ii) reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for education, social, health, or health-related services to families and children;

(iii) reduction in the number of children under age 19 in the county, collaborative service delivery area, subcontractor's district, or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office; or

(iv) termination of the federal revenue earned under the family services collaborative agreement;

(5) the commissioner shall not use the federal reimbursement earned under this subdivision in determining the allocation or distribution of other funds to counties or collaboratives;

(6) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this subdivision;

(7) the commissioner shall recover from the family services collaborative any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the family services collaborative's actions in the integrated fund, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample; and

(8) the commissioner shall establish criteria for the family services collaborative for the accounting and financial management system that will support claims for federal reimbursement.

Subd. 2. [FAMILY SERVICES COLLABORATIVE RESPONSIBILITIES.] *The family services collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:*

(1) the family services collaborative shall be the party with which the commissioner contracts. A lead county shall be designated as the fiscal agency for reporting, claiming, and receiving payments;

(2) the family services collaboratives may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand education, social, health, or health-related services to families and children;

(3) the family services collaborative must continue the base level of expenditures for education, social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in subdivision 1, clause (4). The base year for purposes of

this subdivision shall be the four-quarter calendar year ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned;

(4) the family services collaborative must use all new federal reimbursement resulting from federal revenue enhancement to expand expenditures for education, social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, clause (4);

(5) the family services collaborative must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision 1, for the purposes of family services collaborative expenditures under agreement with the department, the nonfederal share of costs shall be provided by the family services collaborative from sources other than federal funds or funds used to match other federal funds;

(6) the family services collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the agreement; and

(7) the family services collaborative shall submit an annual report to the commissioner as specified in the agreement.

Subd. 3. [AGREEMENTS WITH FAMILY SERVICES COLLABORATIVES.] *At a minimum, the agreement between the commissioner and the family services collaborative shall include the following provisions:*

(1) specific documentation of the expenditures eligible for federal reimbursement;

(2) the process for developing and submitting claims to the commissioner;

(3) specific identification of the education, social, health, or health-related services to families and children which are to be expanded with the federal reimbursement;

(4) reporting and review procedures ensuring that the family services collaborative must continue the base level of expenditures for the education, social, health, or health-related services for families and children as specified in subdivision 2, clause (3);

(5) reporting and review procedures to ensure that federal revenue earned under this section is spent specifically to expand education, social, health, or health-related services for families and children as specified in subdivision 2, clause (4);

(6) the period of time, not to exceed three years, governing the terms of the agreement and provisions for amendments to, and renewal of the agreement; and

(7) an annual report prepared by the family services collaborative.

Sec. 10. [121.838] [WAIVER OF RULES.]

(a) A family services collaborative, or any other local collaborative entity, including those in Becker, Cass, and Ramsey counties, is encouraged to seek a waiver from any state or federal rule that impedes the implementation or effectiveness of the services provided by the collaborative. If the board or

commissioner who adopted the state rule from which a waiver is requested approves a request for a waiver, it shall notify the family services collaborative and the interagency family services team of the approval. If the request for a waiver is denied, the board or commissioner who adopted the rule shall notify the family services collaborative, the interagency family services team, and the appropriate policy committees of the legislature of the reason for denying the waiver.

(b) A family services collaborative seeking a waiver from a federal rule shall submit a request, in writing, to the appropriate policy committees of the legislature. If the legislative committees approve the request, they shall direct the appropriate state agency to make a reasonable effort to negotiate a waiver of the federal rule. If the legislative committees deny the request for a waiver, they shall jointly notify the family services collaborative of the reason for denying the waiver.

Sec. 11. [124.651] [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.]

Subdivision 1. [ELIGIBILITY.] *A school district is eligible for integrated early childhood services revenue if the commissioner of education has approved a plan required under subdivision 3.*

Subd. 2. [INTEGRATED EARLY CHILDHOOD SERVICES REVENUE.] *A school district's integrated early childhood services revenue is equal to the sum of the amounts received according to sections 123.7045; 124.2615, subdivision 2; 124.2711, subdivision 1; and 124.2716. If a school district does not submit a plan for integrated early childhood services revenue, the revenue received according to sections 123.7045; 124.2615, subdivision 2; 124.2711, subdivision 1; and 124.2716 shall be used only for the approved purposes as provided for in sections 121.831; 121.882; 121.88, subdivision 10; and 123.702.*

Subd. 3. [INTEGRATED EARLY CHILDHOOD SERVICES PLAN.] *To receive integrated early childhood services revenue, a school district must submit a plan to the commissioner of education. The plan must specify the services the school district will provide to young children and their families using integrated early childhood services revenue. The plan shall include a description of the proposed cooperative arrangements with other school districts, counties, municipalities, nonprofit service providers, businesses, or other community organizations to provide coordinated, comprehensive services; a description of proposed family outreach efforts; and proof of substantial community involvement in the development of the plan. The plan must ensure that equivalent services or outcomes to those required under sections 121.831, 121.882, and 123.702 will be provided.*

Sec. 12. [REPORTS.]

By December 15, 1993, the interagency family services team shall report to the chairs of the family services and education committees of the legislature and to the legislative commission on children, youth, and families the number of plans approved under section 8, subdivision 5, the amounts of the grants distributed, a brief description of the proposals, and the status of the family services collaboratives established under section 7, subdivision 1.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. $1,500,000 is appropriated from the general fund to the commissioner of education for the purposes of section 8, subdivision 3. This appropriation is available until June 30, 1995.

Subd. 2. $1,500,000 is appropriated from the general fund to the commissioner of human services for the purposes of section 8, subdivision 3. This appropriation is available until June 30, 1995.

Subd. 3. $3,500,000 is appropriated from the general fund to the commissioner of education for the purposes of section 8, subdivision 4. This appropriation is available until June 30, 1995.

Subd. 4. $3,500,000 is appropriated from the general fund to the commissioner of human services for the purposes of section 8, subdivision 4. This appropriation is available until June 30, 1995.

Subd. 5. $130,000 is appropriated from the general fund for the purposes of section 1 to be available until June 30, 1995.''

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete ''chapter 4'' and insert ''chapters 121; and 124''

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

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

S.F. No. 1299: A bill for an act relating to occupations and professions; dentistry; modifying a certain exception to the licensing requirements; establishing faculty, resident dentist, and specialty licenses; modifying a certain ground for disciplinary action; amending Minnesota Statutes 1992, sections 150A.01, by adding subdivisions; 150A.05, subdivision 2; 150A.06, by adding subdivisions; and 150A.08, subdivision 1.

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

Page 1, line 19, delete ''*a resident,*'' and insert ''*an enrolled graduate student or student of an advanced education program accredited by the American Dental Association Commission on Accreditation.*''

Page 1, delete line 20

Page 2, line 10, strike ''or the Mayo Foundation''

Page 2, line 12, after ''of'' insert ''*a*'' and strike ''dentists'' and insert ''*dentist or a licensed dental hygienist*''

Page 2, line 13, strike ''instructors'' and insert ''*an instructor*''

Page 2, line 32, strike everything after ''of''

Page 2, line 33, strike everything before ''in'' and insert ''*X-rays or other diagnostic imaging modalities for making radiographs or other similar records*''

Page 2, line 34, after ''dentist'' insert ''*or by a person who is credentialed to use diagnostic imaging modalities or X-ray machines for dental treatment,*

roentgenograms, or dental diagnostic purposes by a credentialing agency other than the board of dentistry'' and reinstate the stricken ''or''

Page 2, delete lines 35 and 36

Page 3, delete lines 1 and 2

Page 3, line 3, strike ''(8)'' and insert ''*(7)*''

Page 3, line 21, after ''*1*'' insert ''*or is a faculty member on the effective date of this section*''

Page 4, line 2, delete everything after ''*is*'' and insert ''*an enrolled graduate student or*''

Page 4, line 3, delete ''*graduate*'' and delete ''*in a dental school*'' and insert ''*of an accredited advanced dental education program*''

Page 4, line 5, delete everything after ''*resident*'' and insert ''*dentist*''

Page 4, line 6, delete ''*student*''

Page 4, line 7, delete ''*as a*''

Page 4, line 8, delete everything before ''*only*''

Page 4, line 31, after ''*(b)*'' insert ''*Notwithstanding section 147.081, subdivision 3,*''

Page 5, line 2, delete ''*a postdoctoral course*'' and insert ''*an advanced education program*''

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. 1185: A bill for an act relating to juveniles; authorizing the commissioner of human services to pay for the cost of chemical use assessments; amending Minnesota Statutes 1992, section 260.151, subdivision 1.

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1187: A bill for an act relating to health care; clarifying the uniform anatomical gift act; retroactively defining organ donation as the rendition of a service; amending Minnesota Statutes 1992, section 525.9221.

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

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

S.F. No. 699: A bill for an act relating to health; utilization review of health care; providing for chiropractic review; amending Minnesota Statutes 1992, section 62M.09, by adding a subdivision.

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

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

H.F. No. 226: A bill for an act relating to health; clarifying the meaning of comprehensive health maintenance services; amending Minnesota Statutes 1992, section 62D.02, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1602: A bill for an act relating to cemeteries; prohibiting relocation of cemeteries without the trustees' or owners' consent; proposing coding for new law in Minnesota Statutes, chapters 306; and 307.

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

Page 1, after line 9, insert:

"Sec. 2. [306.99] [WINTER BURIALS.]

Each municipal, town, or other cemetery governed by this chapter or other law shall, so far as possible, provide for burials at all times of year including winter. A cemetery may make an additional charge for the actual cost of a burial during difficult weather."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for burials in the winter season;"

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. 751: A bill for an act relating to local government; regulating tanning facilities; requiring warning notices; authorizing local units of government to license and otherwise regulate these facilities; establishing record keeping and reporting requirements; prescribing penalties and providing remedies; proposing coding for new law in Minnesota Statutes, chapter 461.

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

Delete everything after the enacting clause and insert:

"REGULATION OF TANNING FACILITIES

Section 1. [461.16] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *The definitions in this section apply to sections 461.16 to 461.26.*

Subd. 2. [CONSUMER.] *"Consumer" means an individual who is provided access to a tanning facility.*

Subd. 3. [INDIVIDUAL.] *"Individual" means a human being.*

Subd. 4. [OPERATOR.] *"Operator" means an individual designated by the tanning facility owner or tanning equipment lessee to operate, or to assist and instruct the consumer in the operation and use of, the tanning facility or tanning equipment.*

Subd. 5. [PERSON.] *"Person" means an individual, corporation, partnership, limited liability company, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state, or political subdivision or agency thereof, and any legal successor, representative, agent, or agency of these entities.*

Subd. 6. [TANNING EQUIPMENT.] *"Tanning equipment" means ultraviolet or other lamps and equipment containing these lamps intended to induce skin tanning through the irradiation of any part of the living human body with ultraviolet radiation.*

Subd. 7. [TANNING FACILITY.] *"Tanning facility" means a location, place, area, structure, or business or a part thereof which provides consumers access to tanning equipment. Tanning facility includes, but is not limited to, tanning salons, health clubs, apartments, or condominiums regardless of whether a fee is charged for access to the tanning equipment.*

Subd. 8. [ULTRAVIOLET RADIATION.] *"Ultraviolet radiation" means electromagnetic radiation with wavelengths in air between 200 nanometers and 400 nanometers.*

Sec. 2. [461.17] [REGULATIONS; APPLICABILITY; EXEMPTIONS.]

Subdivision 1. [REGULATIONS; APPLICABILITY.] *A tanning facility in this state must be constructed, operated, and maintained according to sections 461.16 to 461.26.*

Subd. 2. [EXEMPTIONS.] *Sections 461.16 to 461.26 do not apply to:*

(a) a person who:

(1) uses equipment which emits ultraviolet radiation incidental to its normal operation; and

(2) does not use the equipment described in clause (1) to deliberately expose parts of the living human body to ultraviolet radiation for the purpose of tanning or other treatment;

(b) a physician licensed by the board of medical practice who uses, in the practice of medicine, medical diagnostic and therapeutic equipment that emits ultraviolet radiation; and

(c) an individual who owns tanning equipment exclusively for personal, noncommercial use.

Sec. 3. [461.19] [STANDARDS FOR TANNING EQUIPMENT.]

Subdivision 1. [STANDARDS FOR ALL EQUIPMENT.] *(a) The tanning facility owner or operator must use only tanning equipment manufactured according to Code of Federal Regulations, title 21, part 1040.20. The exact nature of compliance must be based on the standards in effect at the time of manufacture as shown on the device identification label required by Code of Federal Regulations, title 21, part 1010.3.*

(b) Each assembly of tanning equipment must be designated for use by only one consumer at a time and must be equipped with a timer that complies with Code of Federal Regulations, title 21, part 1040.20(c)(2). The maximum timer interval may not exceed the manufacturer's maximum recommended exposure time. No timer interval may have an error exceeding plus or minus ten percent of the maximum timer interval for the product.

(c) Tanning equipment must meet the National Fire Protection Association National Electrical Code.

(d) Tanning equipment must include physical barriers to protect consumers from injury induced by touching or breaking the lamps.

(e) The tanning facility owner or operator shall replace defective or damaged lamps, bulbs, or filters with a type intended for use in the affected tanning equipment as specified on the product label and having the same spectral distribution.

(f) The tanning facility owner or operator shall replace ultraviolet lamps and bulbs, which are not otherwise defective or damaged, at a frequency or after a duration of use as may be recommended by the manufacturer of the lamps and bulbs.

(g) The tanning facility owner or operator shall maintain a record of when the bulbs or lamps in each tanning booth or bed were replaced according to paragraphs (e) and (f).

(h) Tanning equipment must have a control that enables the user to manually terminate radiation without pulling the electrical plug or coming in contact with the ultraviolet lamp.

(i) The tanning facility operator shall instruct each user on: (1) the proper position to maintain relative to the tanning lamps; (2) the position of the safety railing, where applicable; (3) the manual switching device to terminate radiation; and (4) maximum time of exposure.

(j) The tanning facility operator shall inspect the facility to ensure that the floors are dry before each individual's use.

(k) The tanning facility operator shall monitor the use of the facility to ensure that the interior temperature does not exceed 100 degrees Fahrenheit.

(l) The tanning facility operator shall comply with sanitizing procedures specified by the manufacturer of the tanning equipment between users.

Subd. 2. [STANDARDS FOR STAND-UP TANNING BOOTHS.] *In addition to the requirements in subdivision 1, tanning booths designed for stand-up use must comply with the following additional requirements:*

(1) booths must have physical barriers or other means, such as handrails or floor markings, to indicate the proper exposure distance between ultraviolet lamps and the consumer's skin;

(2) booths must be constructed with sufficient strength and rigidity to withstand the stress of use and the impact of a falling individual;

(3) access to booths must be of rigid construction; and

(4) booths must be equipped with handrails and nonslip floors.

Sec. 4. [461.20] [PROTECTIVE GOGGLES REQUIRED.]

(a) The tanning facility owner or operator shall provide protective goggles to each consumer for use with the tanning equipment. The protective goggles must meet the requirements of Code of Federal Regulations, title 21, part 1040.20(c)(4).

(b) Tanning facility owners and operators shall require that consumers wear the protective goggles required by this section. The tanning facility owner or operator shall ensure that the protective goggles required by this section are properly sanitized before each use and shall not rely upon exposure to the ultraviolet radiation produced by the tanning equipment itself to provide the sanitizing.

Sec. 5. [461.21] [POSTED WARNING REQUIRED.]

(a) The facility owner or operator shall conspicuously post the warning sign described in paragraph (b) within three feet of each tanning station. The sign must be clearly visible, not obstructed by any barrier, equipment, or other object, and must be posted so that it can be easily viewed by the consumer before energizing the tanning equipment.

(b) The warning sign required in paragraph (a) shall have dimensions not less than eight inches by ten inches, and must have the following wording:

"DANGER – ULTRAVIOLET RADIATION

-Follow instructions.

-Avoid overexposure. As with natural sunlight, overexposure can cause eye and skin injury and allergic reactions. Repeated exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.

-Medications or cosmetics may increase your sensitivity to the ultraviolet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight."

Sec. 6. [461.22] [NOTICE TO CONSUMER.]

The tanning facility owner or operator shall provide each consumer under the age of 18, before initial exposure at the facility, with a copy of the following warning, which must be signed, witnessed, and dated as indicated in the warning:

"WARNING STATEMENT

This statement must be read and signed by the consumer BEFORE first exposure to ultraviolet radiation for tanning purposes at the below signed facility.

DANGER – ULTRAVIOLET RADIATION WARNING

-Follow instructions.

-Avoid overexposure. As with natural sunlight, overexposure can cause eye and skin injury and allergic reactions. Repeated exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.

-Medications or cosmetics may increase your sensitivity to the ultraviolet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight.

I have read the above warning and understand what it means before undertaking any tanning equipment exposure.

.....
Signature of Operator of Tanning Facility or Equipment

.....
Signature of Consumer

.....
Print Name of Consumer

.....
Date

OR

The consumer is illiterate and/or visually impaired and I have read the warning statement aloud and in full to the consumer in the presence of the below signed witness.

.....
Signature of Operator of Tanning Facility or Equipment

.....
Witness

.....
Date''

Sec. 7. [461.23] [RECORDS REQUIRED.]

The tanning facility owner or operator shall maintain a record of each consumer's total number of tanning visits at the facility, and the dates and durations of tanning exposures for a period of three years after exposure.

Sec. 8. [461.24] [CONSENT REQUIRED.]

Before allowing the initial exposure at a tanning facility of a person under the age of 18, the owner or operator shall witness the person's parent's or legal guardian's signing and dating of the warning statement required under section 461.22.

Sec. 9. [461.25] [PENALTY.]

Any person who leases tanning equipment or who owns a tanning facility and who operates or permits the equipment or facility to be operated in noncompliance with the requirements of sections 461.16 to 461.24 is guilty of a petty misdemeanor.

Sec. 10. [461.26] [LOCAL ORDINANCE AUTHORIZATION.]

Sections 461.16 to 461.25 do not preempt a local ordinance which provides for more restrictive regulation of tanning facilities than required in sections 461.16 to 461.25."

Delete the title and insert:

"A bill for an act relating to local government; regulating tanning facilities; requiring warning notices; establishing record keeping requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 461."

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. 1446: A bill for an act relating to insurance; regulating investments, assets and liabilities, and annual statements of companies; providing for continuance of coverage upon liquidation; modifying the definition of resident for purposes of the Minnesota insurance guaranty association; regulating dividends and other distributions of insurance holding company systems; regulating risk retention groups; enacting the NAIC model legislation; amending Minnesota Statutes 1992, sections 60A.11, subdivision 9; 60A.12, subdivision 3; 60A.13, subdivisions 1 and 6; 60A.23, subdivision 4; 60B.22, subdivision 1; 60C.03, subdivision 7; 60D.20, subdivisions 2 and 4; 60E.01; 60E.02, subdivisions 9 and 12; 60E.03; 60E.04, subdivisions 1, 2, 3, 4, 7, 8, 11, and by adding a subdivision; 60E.05; 60E.07; 60E.08; 60E.09; 60E.10; 60E.12; and 60E.13; proposing coding for new law in Minnesota Statutes, chapters 60A and 60E; repealing Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60B.24; and 60E.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 60A.11, subdivision 9, is amended to read:

Subd. 9. [GENERAL CONSIDERATIONS.] The following considerations apply in the interpretation of this section:

(a) This section applies to the investments of insurance companies other than life insurance companies;

(b) The purpose of this section is to protect and further the interests of policyholders, claimants, creditors and the public by providing standards for the development and administration of programs for the investment of the assets of domestic companies. These standards and the investment programs

developed by companies must take into account the safety of company's principal, investment yield and growth, stability in the value of the investment, the liquidity necessary to meet the company's expected business needs, and investment diversification;

(c) All financial terms relating to insurance companies have the meanings assigned to them under statutory accounting methods. All financial terms relating to noninsurance companies have the meanings assigned to them under generally accepted accounting principles;

(d) Investments must be valued in accordance with the valuation procedures established by the National Association of Insurance Commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. *Another method of valuation permitted by the commissioner must be at least as conservative as those prescribed in the association's manual.* Other invested assets must be valued according to the procedures promulgated by the National Association of Insurance Commissioners', if not addressed in another section, unless the commissioner requires or finds another method of valuation reasonable under the circumstances;

(e) A company may elect to hold an investment which qualifies under more than one subdivision, under the subdivision of its choice. Nothing herein prevents a company from electing to hold an investment under a subdivision different from the one in which it previously held the investment; and

(f) An investment which qualifies under any provision of the law governing investments of insurance companies when acquired will continue to be a qualified investment for as long as it is held by the insurance company.

Sec. 2. Minnesota Statutes 1992, section 60A.12, subdivision 3, is amended to read:

Subd. 3. [VALUATION OF EVIDENCES OF INDEBTEDNESS.] All bonds or other evidences of debt, having a fixed term and rate, held by an insurance company or fraternal benefit society authorized to do business in this state may, if amply secured and not in default as to principal and interest, be valued as follows: If purchased at par, at the par value; if purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield, in the meantime, the effective rate of interest at which the purchase was made; provided, that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase~~; and, provided, that the commissioner shall have full discretion in determining the method of calculating values according to the foregoing rule~~. If the notes or bonds secured by mortgage or trust deed in the nature thereof which the federal housing administrator has insured, or made a commitment to insure, are purchased above par, they may, if not in default as to principal and interest, be valued during the first five years after purchase on the basis of the purchase price adjusted in equal annual installments to bring the value to par at the end of five years.

Sec. 3. [60A.129] [LOSS RESERVE CERTIFICATION AND ANNUAL AUDIT.]

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

(a) "Qualified actuary," except as it relates to subdivision 2, paragraph (c), for companies authorized to provide life insurance coverage under section 60A.06, subdivision 1, clause (4), is a person who is either:

(1) a member in good standing of the Casualty Actuarial Society; or

(2) a member in good standing of the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries; or

(3) a person who otherwise has competency in loss reserve evaluation as demonstrated to the satisfaction of the insurance regulatory official of the domiciliary state. In such case, at least 90 days prior to the filing of its annual statement, the insurer must request approval that the person be deemed qualified and that request must be approved or denied. The request must include the NAIC Biographical form and a list of all loss reserve opinions issued in the last three years by this person.

(b) For purposes of subdivision 2, paragraph (c), a qualified actuary for companies authorized to write life insurance coverage under section 60A.06, subdivision 1, clause (4), shall be:

(1) a member in good standing of the American Academy of Actuaries;

(2) qualified to sign statements of actuarial opinion for life and health insurance company annual statements in accordance with the American Academy of Actuaries qualification standards for actuaries signing these statements;

(3) familiar with the valuation requirements applicable to life and health insurance companies.

(c) A qualified actuary as defined by this subdivision is an individual who:

(1) has not been found by the commissioner, or if so found has subsequently been reinstated as a qualified actuary, following appropriate notice and hearing to have:

(i) violated any provision of, or any obligation imposed by, the state insurance law or other law in the course of the actuary's dealings as a qualified actuary;

(ii) been found guilty of fraudulent or dishonest practices;

(iii) demonstrated incompetency, lack of cooperation, or untrustworthiness to act as a qualified actuary; or

(iv) submitted to the commissioner during the past five years, pursuant to this chapter, an actuarial opinion that the commissioner rejected because it did not meet the provisions of this chapter including standards set by the actuarial standards board;

(2) has resigned or been removed as an actuary within the past five years as a result of acts or omissions indicated in any adverse report on examination or as a result of failure to adhere to generally acceptable actuarial standards of the American Academy of Actuaries; and

(3) has not failed to notify the commissioner of any action taken by any commissioner of any other state similar to that under clause (1).

(d) "Accountant" and "independent public accountant" mean an independent certified public accountant or accounting firm in good standing with the American Institute of Certified Public Accountants and in all states in which the accountant or firm is licensed to practice. For Canadian and British

companies, the term means a Canadian-chartered or British-chartered accountant.

Subd. 2. [LOSS RESERVE CERTIFICATION.] *(a) Each domestic company engaged in providing the types of coverage described in section 60A.06, subdivision 1, clause (1), (2), (3), (5)(b), (6), (8), (9), (10), (11), (12), (13), or (14), must have its loss reserves certified by a qualified actuary. The company must file the certification with the commissioner within 30 days of completion of the certification, but not later than June 1. The actuary providing the certification must not be an employee of the company. This subdivision does not apply to township mutual companies, or to other domestic insurers having less than $1,000,000 of premiums written in any year and fewer than 1,000 policyholders. The commissioner may allow an exception to the stand alone certification where it can be demonstrated that a company in a group has a pooling or 100 percent reinsurance agreement used in a group which substantially affects the solvency and integrity of the reserves of the company, or where it is only the parent company of a group which is licensed to do business in Minnesota. If these circumstances exist, the company may file a written request with the commissioner for an exception. Companies writing reinsurance alone are not exempt from this requirement. The certification must contain the following statement: "The loss reserves and loss expense reserves have been examined and found to be calculated in accordance with generally accepted actuarial principles and practices and are fairly stated."*

(b) Each foreign company engaged in providing the types of coverage described in section 60A.06, subdivision 1, clause (1), (2), (3), (5)(b), (6), (8), (9), (10), (11), (12), (13), or (14), required by this section to file an annual audited financial report, whose total net earned premium for Schedule P, Part 1A to Part 1H plus Part 1R, (Schedule P, Part 1A to Part 1H plus Part 1R, Column 4, current year premiums earned, from the company's most currently filed annual statement) is equal to one-third or more of the company's total net earned premium (Underwriting and Investment Exhibit, Part 2, Column 4, total line, of the annual statement) must have a reserve certification by a qualified actuary at least every three years. In the year that the certification is due, the company must file the certification with the commissioner within 30 days of completion of the certification, but not later than June 1. The actuary providing the certification must not be an employee of the company. Companies writing reinsurance alone are not exempt from this requirement. The certification must contain the following statement: "The loss reserves and loss expense reserves have been examined and found to be calculated in accordance with generally accepted actuarial principles and practices and are fairly stated."

(c) Each company providing life and/or health insurance coverages described in section 60A.06, subdivision 1, clause (4) or (5)(a), required by this section to file an audited annual financial report, whose premiums and annuity considerations (net of reinsurance) from Accident and Health equal one-third or more of the company's total premiums and annuity considerations (net of reinsurance), as reported in the summary of operations, must have its aggregate reserve for accident and health policies and liability for policy and contract claims for Accident and Health certified by a qualified actuary at least once every three years. The actuary providing the certification must not be an employee of the company. Companies writing reinsurance alone are not exempt from this requirement. The certification must contain the following

statement: "The policy and contract claims reserves for Accident and Health have been examined and found to be calculated in accordance with generally accepted actuarial principles and practices and are fairly stated."

Subd. 3. [ANNUAL AUDIT.] *(a) Every insurance company doing business in this state, including fraternal benefit societies, reciprocal exchanges, service plan corporations licensed pursuant to chapter 62C, and legal service plans licensed pursuant to chapter 62G, unless exempted by the commissioner pursuant to subdivision 4, paragraph (a), or by subdivision 7, shall have an annual audit of the financial activities of the most recently completed fiscal year performed by an independent certified public accountant as prescribed by the commissioner, and shall file the report of this audit with the commissioner on or before June 30 for the year ending December 31.*

Extensions of the June 30 filing date may be granted by the commissioner for 30-day periods upon a showing by the insurer and its independent certified public accountant of the reasons for requesting the extension and a determination by the commissioner of good cause for the extension.

The request for extension must be submitted in writing not less than ten days before the due date in sufficient detail to permit the commissioner to make an informed decision with respect to the requested extension.

(b) Insurers filing audited financial reports in another state under the other state's requirements of audited financial reports which have been found by the commissioner to be substantially similar to these requirements are exempt from this subdivision if a copy of the audited financial report, the evaluation of accounting procedures, and systems of internal control report, which are filed with the other state, are filed with the commissioner in accordance with the filing dates specified in paragraphs (a) and (i), (Canadian insurers may submit accountants' reports as filed with the Canadian Dominion Department of Insurance); and a copy of any notification of adverse financial condition report filed with the other state is filed with the commissioner within the time specified in paragraph (h).

(c)(i) The annual audited financial report shall report, in conformity with statutory accounting practices required or permitted by the commissioner of insurance of the state of domicile, the financial condition of the insurer as of the end of the most recent calendar year and the results of its operations, changes in financial position, and changes in capital and surplus for the year ended. The annual audited financial report shall include a report of an independent certified public accountant; a balance sheet reporting admitted assets, liabilities, capital, and surplus; a statement of gain or loss from operations; a statement of cash flows; a statement of changes in capital and surplus; any notes to financial statements; and any additional information that the commissioner may from time to time require to be disclosed.

(ii) The notes required under item (i), shall be those required by generally accepted accounting principles and shall include reconciliation of differences, if any, between the audited statutory financial statements and the annual statement filed under section 60A.13, subdivision 1, with a written description of the nature of these differences; and a narrative explanation of all significant intercompany transactions and balances.

(iii) The financial statements included in the audited financial report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the annual statement of the insurer filed with

the commissioner. The financial statement shall be comparative, presenting the amounts as of December 31 of the current year and the amounts as of the immediately preceding December 31. In the first year in which an insurer is required to file an audited financial report, the comparative data may be omitted. The amounts may be rounded to the nearest $1,000, and all insignificant amounts may be combined.

(d) Each insurer required by this section to file an annual audited financial report must notify the commissioner in writing of the name and address of the certified public accountant or accounting firm retained to conduct the annual audit within 60 days after becoming subject to the annual audit requirement. The insurer shall obtain from the accountant a letter which states that the accountant is aware of the provisions that relate to accounting and financial matters in the insurance laws and the rules of the insurance regulatory authority of the state of domicile. The letter shall affirm that the opinions on the financial statements will be expressed in terms of their conformity to the statutory accounting practices prescribed or other permitted by that insurance regulatory authority, unless exceptions to these practices are appropriate. The letter shall specify all exceptions believed to be appropriate. A copy of this letter shall be filed with the commissioner.

(e) If an accountant who was not the accountant for the immediately preceding filed audited financial report is engaged to audit the insurer's financial statements, the insurer shall notify the commissioner of this event within 30 days of the date the accountant is engaged. The insurer shall also furnish the commissioner with a separate letter stating whether in the 24 months preceding this engagement there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of the former accountant, would have caused that person to make reference to the subject matter of the disagreement in connection with the opinion. The insurer shall also in writing request the former accountant to furnish a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurer's letter and, if not, stating the reasons for any disagreement. The insurer shall furnish this responsive letter from the former accountant to the commissioner together with its own.

(f) The commissioner shall not recognize any person or firm as an independent certified public accountant that is not in good standing with the American Institute of Certified Public Accountants and in all states in which the accountant is licensed to practice, or for a Canadian or British company, that is not a chartered accountant. Except as otherwise provided, a certified public accountant shall be recognized as independent as long as the person conforms to the standards of the person's profession. The commissioner, after notice and hearing under chapter 14, may find that the accountant is not independent for purposes of expressing an opinion on the financial statements in the annual audited financial report. The commissioner may require the insurer to replace the accountant with another whose relationship with the insurer is independent.

(g) Financial statements furnished under paragraph (a), shall be examined by an independent certified public accountant. The examination of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards and consideration should be given to other procedures illustrated in the Financial Condition Examiners Handbook,

issued by the National Association of Insurance Commissioners as the independent certified public accountant considers necessary.

(h) The insurer required to furnish the annual audited financial report shall require the independent certified public accountant to immediately notify in writing an executive officer and all directors of the insurer of the final determination by that independent certified public accountant that the insurer has materially misstated its financial condition as reported to the commissioner as of the balance sheet date currently under examination or that the insurer does not meet the minimum capital and surplus requirement of section 60A.07 as of that date. An executive officer or director of an insurer required to file an annual audited financial report who received a notification of adverse financial condition from the accountant shall make a written report to the commissioner of the existence of the materially misstated financial condition or the failure to meet the minimum capital and surplus requirements of the commissioner within three business days of the notification. If the accountant becomes aware of facts which might have affected this report after the date of the audited financial report filed under this section, the accountant shall take the action prescribed by Professional Standards issued by the American Institute of Certified Public Accountants.

(i) In addition to the annual audited financial report, each insurer shall furnish the commissioner with a report of the evaluation performed by the accountant, in connection with the examination, of the accounting procedures of the insurer and its system of internal control. A report of the evaluation by the accountant of the accounting procedures of the insurer and its system of internal control, including any remedial action taken or proposed, shall be filed annually by the insurer with the division within 60 days after the filing of the annual audited financial report. This report on internal control shall be in the form prescribed by generally accepted auditing standards.

(j) Workpapers are the records kept by the independent certified public accountant of the procedures followed, tests performed, information obtained, and conclusions reached pertinent to the examination of the financial statements of an insurer. Workpapers may include work programs, analyses, memoranda, letters of confirmation and representation, management letters, abstracts of company documents, and schedules or commentaries prepared or obtained by the independent certified public accountant in the course of the examination of the financial statements of an insurer and that support the accountant's opinion. Every insurer required to file an audited financial report shall require the accountant, through the insurer, to make available for review by the examiners the workpapers prepared in the conduct of the examination. The insurer shall require that the accountant retain the audit workpapers for a period of not less than five years after the period reported upon. In the conduct of the periodic review by the examiners, it shall be agreed that photocopies of pertinent audit workpapers may be made and retained by the department of commerce. These copies shall be part of the commissioner's workpapers.

(k) With the commissioner's approval, an insurer may comply with this section by filing the requisite reports that have been prepared in accordance with generally accepted accounting principles if the notes to the financial statements include a reconciliation of differences between net income and capital and surplus on the annual statement filed pursuant to section 60A.13, subdivision 1, and comparable totals on the audited financial statements, and a written description of the nature of these differences.

(l)(i) In the case of Canadian and British insurers, the annual audited financial report means the annual statement of total business on the form filed by these companies with their domiciliary supervision authority and duly audited by an independent chartered accountant.

(ii) For these insurers, the letter required in paragraph (d), shall state that the accountant is aware of the requirements relating to the annual audited statement filed with the commissioner under paragraph (a), and shall affirm that the opinion expressed is in conformity with those requirements.

(m) The audit report of the independent certified public accountant that performs the audit of an insurer's annual statement as required under paragraph (a), shall contain a statement as to whether anything, in connection with the audit, came to the accountant's attention that caused the accountant to believe that the insurer failed to adopt and consistently apply the valuation procedures as required by sections 60A.122 and 60A.123.

Subd. 4. [EXAMINATIONS.] *(a) The commissioner or a designated representative shall determine the nature, scope, and frequency of examinations under this section conducted by examiners under section 60A.031. These examinations may cover all aspects of the insurer's assets, condition, affairs, and operations and may include and be supplemented by audit procedures performed by independent certified public accountants. Scheduling of examinations will take into account all relevant matters with respect to the insurer's condition, including results of the National Association of Insurance Commissioner, Insurance Regulatory Information Systems, changes in management, results of market conduct examinations, and audited financial reports. The type of examinations performed by examiners under this section shall be compliance examinations, targeted examinations, and comprehensive examinations.*

(b) Compliance examinations will consist of a review of the accountant's workpapers defined under this section and a general review of the insurer's corporate affairs and insurance operations to determine compliance with the Minnesota insurance laws and the rules of the department of commerce. The examiners may perform alternative or additional examination procedures to supplement those performed by the accountant when the examiners determine that the procedures are necessary to verify the financial condition of the insurer.

(c) Targeted examinations may cover limited areas of the insurer's operations as the commissioner may deem appropriate.

(d) Comprehensive examinations will be performed when the report of the accountant as provided for in subdivision 3, paragraph (g), the notification required by subdivision 3, paragraph (h), the results of compliance or targeted examinations, or other circumstances indicate in the judgment of the commissioner or a designated representative that a complete examination of the condition and affairs of the insurer is necessary.

(e) Upon completion of each targeted, compliance, or comprehensive examination, the examiner appointed by the commissioner shall make a full and true report on the results of the examination. Each report shall include a general description of the audit procedures performed by the examiners and the procedures of the accountant that the examiners may have utilized to supplement their examination procedures and the procedures that were

performed by the registered independent certified public accountant if included as a supplement to the examination.

Subd. 5. [CONSOLIDATED FILING.] *(a) The commissioner may allow an exception to the stand alone loss reserve certification required by subdivision 2, and audited financial statements required by subdivision 3, paragraph (a), where it can be demonstrated that a company in a group has a pooling or 100 percent reinsurance agreement used in a group which substantially affects the solvency and integrity of the reserves of the company or where it is only the parent company of a group which is licensed to do business in Minnesota. If these circumstances exist, then the company may file a written application to file loss reserve certification and a report of an annual audit. This application shall be for a specified period.*

(b) A consolidated annual audit filing shall include an organizational chart of the companies together with a columnar consolidated or combining worksheet. Amounts shown on the audited consolidated or combined financial statement shall be shown on the worksheet. Amounts for each insurer shall be stated separately. Noninsurance operations may be shown on the worksheet on a combined or individual basis. Explanations of consolidating or eliminating entries shall be shown on the worksheet. A reconciliation of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the annual statement of the insurers shall be included on the worksheet.

Subd. 6. [PENALTIES.] *No annual statement, report, or document related to the business of insurance shall be filed with the commissioner or issued to the public if it is signed by anyone who is represented in the instrument as an "actuary" or "accountant," unless the person is qualified as defined by this section. A violation of this subdivision is a violation of section 72A.19 and punishable in accordance with section 72A.25.*

Subd. 7. [EXEMPTIONS.] *(a) Upon written application of any company, the commissioner may grant an exemption from compliance with the provisions of this section. In order to receive an exemption, a company must demonstrate to the satisfaction of the commissioner that compliance would constitute a financial hardship upon the company. An exemption may be granted at any time and from time to time for specified periods. Within ten days from the denial of an insurer's written request for an exemption, the insurer may request in writing a hearing on its application for an exemption. This hearing shall be held in accordance with chapter 14. Upon written application of any insurer, the commissioner may permit an insurer to file annual audited financial reports on some basis other than a calendar year basis for a specified period. No exemption shall be granted until the insurer presents an alternative method satisfying the purposes of this section. Within ten days from a denial of a written request for an exemption, the insurer may request in writing a hearing on its application. The hearing shall be held in accordance with chapter 14.*

(b) This section applies to all insurers, unless otherwise indicated, required to file an annual audit by subdivision 3, paragraph (a), except insurers having less than $1,000,000 of direct written premiums in any year and fewer than 1,000 policyholders in this state at the end of any year, are exempt from this section for that year.

Sec. 4. Minnesota Statutes 1992, section 60A.13, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL STATEMENTS REQUIRED.] Every insurance company, including fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall transmit to the commissioner, annually, on or before March 1, the appropriate verified National Association of Insurance Commissioners' annual statement blank, prepared in accordance with the association's instructions handbook and following those accounting procedures and practices prescribed by the association's accounting practices and procedures manual, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. *Another method of valuation permitted by the commissioner must be at least as conservative as those prescribed in the association's manual.* In addition, the commissioner may require the filing of any other information determined to be reasonably necessary for the continual enforcement of these laws. The statement may be limited to the insurer's business and condition in the United States unless the commissioner finds that the business conducted outside the United States may detrimentally affect the interests of policyholders in this state. The statements shall also contain a verified schedule showing all details required by law for assessment and taxation. The statement or schedules shall be in the form and shall contain all matters the commissioner may prescribe, and it may be varied as to different types of insurers so as to elicit a true exhibit of the condition of each insurer.

Sec. 5. Minnesota Statutes 1992, section 60A.13, subdivision 6, is amended to read:

Subd. 6. [COMPANY OR AGENT CANNOT CONTINUE BUSINESS UNLESS STATEMENT IS FILED.] No company shall transact any new business in this state after May thirty-first in any year unless it shall have previously transmitted its annual statement to the commissioner and filed a copy of its statement with the National Association of Insurance Commissioners. The commissioner may by order annually require that each insurer pay the required fee to the National Association of Insurance Commissioners for the filing of annual statements, but the fee shall not be more than 50 percent greater than the fee set by the National Association of Insurance Commissioners ~~on January 1, 1984~~. *Failure to file the annual statement with the commissioner or the National Association of Insurance Commissioners is a violation of section 72A.061, subdivision 1.* The fee shall be based on the relative premium volume of each insurer. The commissioner's order shall not be subject to chapter 14.

Sec. 6. Minnesota Statutes 1992, section 60A.23, subdivision 4, is amended to read:

Subd. 4. [DIVIDENDS; LIMITATIONS.] ~~No domestic stock company shall declare a dividend either in cash or stock, except from its actual net surplus computed as required by law in its annual statement; nor shall any such company which has ceased to do new business divide any portion of its assets, except surplus, until it shall have performed or canceled its policy obligations. It may declare and pay, annually, semiannually or quarterly from its surplus, cash dividends of not more than ten percent of its capital stock and surplus in any year and, if the dividends in any one year are less than ten percent, the difference may be made up in any subsequent year or years from surplus accumulations. It may pay such dividend as the directors deem prudent out of any surplus remaining after charging, in addition to all liabilities except unearned premiums, an amount equal to the whole amount of premiums on unexpired risks and deducting from the assets all securities~~

~~and accounts receivable on which no part of the principal or interest has been paid within the preceding year, or for which foreclosure or suit has been commenced, or upon which judgment obtained has remained more than two years unsatisfied and on which interest has not been paid, and also deducting all liens due and unpaid on any of its property.~~ *Stock companies shall follow the dividend limitation and reporting requirements set forth in chapter 60D.*

Sec. 7. Minnesota Statutes 1992, section 60B.22, subdivision 1, is amended to read:

Subdivision 1. [LENGTH OF CONTINUED COVERAGE.] All insurance policies or similar contracts of coverage issued by the insurer shall continue in force:

(a) For a period of ~~15~~ *30* days from the date of entry of the liquidation order;

(b) Until the normal expiration of the policy or contract coverage;

(c) Until the insured has replaced the coverage with equivalent coverage in another insurer; or

(d) Until the liquidator has effected a transfer of the policy or contract obligation pursuant to section 60B.25, clause (8), whichever time is less.

Sec. 8. Minnesota Statutes 1992, section 60C.03, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] "Resident" means:

(a) An individual person who fixes habitation in this state without any intention of removing therefrom and who, whenever absent therefrom, intends to return; *or*

(b) Any other person whose principal place of business is located in this state at the time of the insured event; ~~or~~

~~(c) A person whose principal place of business is in Wisconsin, Iowa, North Dakota, or South Dakota, but who maintains substantial business in Minnesota~~.

Sec. 9. Minnesota Statutes 1992, section 60D.20, subdivision 2, is amended to read:

Subd. 2. [DIVIDENDS AND OTHER DISTRIBUTIONS.] (a) *Subject to the limitations and requirements of this subdivision, the board of directors of any domestic insurer within an insurance holding company system may authorize and cause the insurer to declare and pay any dividend or distribution to its shareholders as the directors deem prudent from the earned surplus of the insurer. An insurer's earned surplus, also known as unassigned funds, shall be determined in accordance with the accounting procedures and practices governing preparation of its annual statement, minus 25 percent of unrealized capital gains. Dividends which are paid from sources other than an insurer's earned surplus or are extraordinary dividends or distributions may be paid only as provided in paragraphs (d), (e), and (f).*

(b) The insurer shall notify the commissioner within five business days following declaration of a dividend declared pursuant to paragraph (a) and at least ten days prior to its payment. The commissioner shall promptly consider the notification filed pursuant to this paragraph, taking into consideration the factors described in subdivision 4.

(c) The commissioner shall review at least annually the dividends paid by an insurer pursuant to paragraph (a) for the purpose of determining if the dividends are reasonable based upon (1) the adequacy of the level of surplus as regards policyholders remaining after the dividend payments, and (2) the quality of the insurer's earnings and extent to which the reported earnings include extraordinary items, such as surplus relief reinsurance transactions and reserve destrengthening.

(d) No domestic insurer shall pay any extraordinary dividend or make any other extraordinary distribution to its shareholders until: (1) 30 days after the commissioner has received notice of the declaration of it and has not within the period disapproved the payment; or (2) the commissioner has approved the payment within the 30-day period.

~~(b)~~ *(e)* For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the greater of (1) ten percent of the insurer's surplus as regards policyholders as of the 31st day of December next preceding; or (2) the net gain from operations of the insurer, if the insurer is a life insurer, or the net income, if the insurer is not a life insurer, not including realized capital gains, for the 12-month period ending the 31st day of December next preceding, but does not include pro rata distributions of any class of the insurer's own securities. ~~In determining whether a dividend or distribution is extraordinary, an insurer other than a life insurer may carry forward net income from the previous two calendar years that has not already been paid out as dividends. This carry-forward is computed by taking the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediate preceding calendar years.~~

~~(c)~~ *(f)* Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution that is conditional upon the commissioner's approval, and the declaration shall confer no rights upon shareholders until: (1) the commissioner has approved the payment of such a dividend or distribution; or (2) the commissioner has not disapproved the payment within the 30-day period referred to above.

Sec. 10. Minnesota Statutes 1992, section 60D.20, subdivision 4, is amended to read:

Subd. 4. [ADEQUACY OF SURPLUS.] For purposes of this chapter, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, must be considered:

(1) the size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria;

(2) the extent to which the insurer's business is diversified among the several lines of insurance;

(3) the number and size of risks insured in each line of business;

(4) the extent of the geographical dispersion of the insurer's insured risks;

(5) the nature and extent of the insurer's reinsurance program;

(6) the quality, diversification and liquidity of the insurer's investment portfolio;

(7) the recent past and projected future trend in the size of the insurer's investment portfolio;

(8) the surplus as regards policyholders maintained by other comparable insurers;

(9) the adequacy of the insurer's reserves; ~~and~~

(10) the quality and liquidity of investments in affiliates. The commissioner may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in the commissioner's judgment the investment so warrants; *and*

(11) the quality of the insurer's earnings and the extent to which the reported earnings include extraordinary items, such as surplus relief reinsurance transactions and reserve destrengthening.

Sec. 11. Minnesota Statutes 1992, section 60E.01, is amended to read:

60E.01 [PURPOSE.]

The purpose of sections 60E.01 to 60E.14 is to regulate the formation and operation of risk retention *groups and purchasing* groups in this state formed under the federal Liability Risk Retention Act of 1986, *to the extent permitted by that law.*

Sec. 12. Minnesota Statutes 1992, section 60E.02, subdivision 9, is amended to read:

Subd. 9. [PLAN OF OPERATION OR FEASIBILITY STUDY.] "Plan of operation" or "feasibility study" means an analysis that presents the expected activities and results of a risk retention group including, at a minimum:

(1) *information sufficient to verify that its members are engaged in business or activities similar or related with respect to the liability to which the members are exposed by virtue of any related, similar or common business, trade, product, services, premises, or operations;*

(2) for each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer;

~~(2)~~ *(3)* historical and expected loss experience of the proposed members and national experience of similar exposures *to the extent that this experience is reasonably available*;

~~(3)~~ *(4)* pro forma financial statements and projections;

~~(4)~~ *(5)* appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition;

~~(5)~~ *(6)* identification of management, underwriting *and claims* procedures, *marketing methods,* managerial oversight methods, investment policies, *and reinsurance agreements;* ~~and~~

~~(6)~~ *(7) identification of each state in which the risk retention group has obtained, or sought to obtain, a charter and license, and a description of its status in each state; and*

(8) other matters prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the state.

Sec. 13. Minnesota Statutes 1992, section 60E.02, subdivision 12, is amended to read:

Subd. 12. [RISK RETENTION GROUP.] "Risk retention group" means a corporation or other limited liability association ~~formed under the laws of a state, Bermuda, or the Cayman Islands~~:

(1) whose primary activity consists of assuming and spreading all, or a portion, of the liability exposure of its group members;

(2) which is organized for the primary purpose of conducting the activity described under clause (1);

(3) which:

(a) is chartered and licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of a state; or

(b) before January 1, 1985, was chartered or licensed and authorized to engage in the business of insurance under the laws of Bermuda or the Cayman Islands and, before that date, had certified to the insurance commissioner of at least one state that it satisfied the capitalization requirements of the state, except that the group shall be considered to be a risk retention group only if it has been engaged in business continuously since that date and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability, as such terms were defined in the Product Liability Risk Retention Act of 1981 before the date of the enactment of the Risk Retention Act of 1986;

(4) which does not exclude a person from membership in the group solely to provide for members of the group a competitive advantage over that person;

(5) which:

(a) has as its members only persons who have an ownership interest in the group and which has as its owners only persons who are members who are provided insurance by the risk retention group; or

(b) has as its ~~sole member and~~ sole owner an organization which ~~is owned by persons who are provided insurance by the risk retention group~~ *has as its members only persons who comprise the membership of the risk retention group and which has as its owners only persons who comprise the membership of the risk retention group and who are provided insurance by that group*;

(6) whose members are engaged in businesses or activities similar or related with respect to the liability of which the members are exposed by virtue of any related, similar, or common business trade, product, services, premises, or operations;

(7) whose activities do not include the provision of insurance other than:

(a) liability insurance for assuming and spreading all or a portion of the liability of its group members; and

(b) reinsurance with respect to the liability of any other risk retention group, or any members of the other group, which is engaged in businesses or activities so that the group or member meets the requirement described in clause (6) from membership in the risk retention group which provides the reinsurance; and

(8) the name of which includes the phrase "risk retention group."

Sec. 14. Minnesota Statutes 1992, section 60E.03, is amended to read:

60E.03 [RISK RETENTION GROUPS CHARTERED IN THIS STATE.]

A risk retention group ~~seeking to be chartered in this state must~~ *shall* be chartered and licensed ~~as~~ a *to write only* liability insurance ~~company authorized by the insurance laws of this state~~ *pursuant to sections 60E.01 to 60E.14* and, except as provided elsewhere in sections 60E.01 to 60E.14, must comply with all of the laws, rules, and requirements applicable to insurers chartered and licensed in this state and with section 60E.04 to the extent those requirements are not a limitation on laws, rules, or requirements of this state. ~~Before it may offer insurance in a state, a risk retention group shall also submit for approval to the commissioner of commerce a plan of operation or a feasibility study and revisions of the plan or study if the group intends to offer additional lines of liability insurance.~~

Notwithstanding any other provision to the contrary, all risk retention groups chartered in this state shall file with the department and the National Association of Insurance Commissioners (NAIC), an annual statement in a form prescribed by the NAIC, and in diskette form if required by the commissioner, and completed in accordance with its instructions and the NAIC accounting practices and procedures manual.

Before it may offer insurance in a state, each risk retention group shall also submit for approval to the commissioner of commerce a plan of operation or feasibility study. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation or feasibility study, within ten days of a change. The group shall not offer any additional kinds of liability insurance, in this state or in any other state, until a revision of the plan or study is approved by the commissioner.

At the time of filing its application for charter, the risk retention group shall provide to the commissioner in summary form the following information: the identity of the initial members of the group, the identity of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group, the amount and nature of initial capitalization, the coverages to be afforded, and the states in which the group intends to operate. Upon receipt of this information, the commissioner shall forward the information to the National Association of Insurance Commissioners.

Providing notification to the NAIC is in addition to and shall not be sufficient to satisfy the requirements of section 60E.04 or any other sections of this chapter.

Sec. 15. Minnesota Statutes 1992, section 60E.04, subdivision 1, is amended to read:

Subdivision 1. [REGULATION.] Risk retention groups chartered *and licensed* in states other than this state and seeking to do business as a risk

retention group in this state must observe and abide by the laws of this state as set forth in subdivisions 2 to 12.

Sec. 16. Minnesota Statutes 1992, section 60E.04, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF OPERATIONS AND DESIGNATION OF COMMISSIONER AS AGENT.] *(a)* Before offering insurance in this state, a risk retention group shall submit to the commissioner *on a form prescribed by the NAIC*:

(1) a statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business, and other information including information on its membership, the commissioner may require to verify that the risk retention group is qualified under section 60E.02, subdivision 12;

(2) a copy of its plan of operations or a feasibility study and revisions of the plan or study submitted to ~~its~~ *the* state ~~of domicile~~ *in which the risk retention group is chartered and licensed*; provided, however, that the provision relating to the submission of a plan of operation or a feasibility study shall not apply with respect to a line or classification of liability insurance that was defined in the Product Liability Risk Retention Act of 1981 before October 27, 1986, and was offered before that date by a risk retention group that had been chartered and operating for not less than three years before that date; ~~and~~.

~~(3)~~ *(b) The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by section 60E.03 at the same time that the revision is submitted to the commissioner of its chartering state.*

(c) The risk retention group shall submit a statement of registration, *for which a filing fee shall be determined by the commissioner,* that designates the commissioner as its agent for the purpose of receiving service of legal documents or process.

Sec. 17. Minnesota Statutes 1992, section 60E.04, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL CONDITION.] A risk retention group doing business in this state shall submit to the commissioner:

(1) a copy of the group's financial statement submitted to ~~its~~ *the* state ~~of domicile~~ *in which the risk retention group is chartered and licensed*, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist, under criteria established by the National Association of Insurance Commissioners;

(2) a copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(3) *upon request by the commissioner,* a copy of ~~an~~ *any information or document pertaining to any outside* audit performed with respect to the risk retention group; and

(4) the information required to verify its continuing qualification as a risk retention group under section 60E.02, subdivision 12.

Sec. 18. Minnesota Statutes 1992, section 60E.04, subdivision 4, is amended to read:

Subd. 4. [TAXATION.] (a) ~~All premiums paid for coverages within this state to risk retention groups are subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as that applicable to other insurers.~~ *Each risk retention group is liable for the payment of premium taxes and taxes on premiums of direct business for risks resident or located within this state, and shall report to the commissioner the net premiums written for risks resident or located within this state. The risk retention group shall be subject to taxation, and any applicable taxation-related fines and penalties, on the same basis as a foreign admitted insurer.*

(b) ~~To the extent agents or brokers are utilized, they shall report and pay the taxes for the premiums for risks which they have placed with or on behalf of a risk retention group not chartered in this state. The agents or brokers are subject to the provisions of sections 60A.195 to 60A.209.~~ *To the extent licensed agents or brokers are utilized pursuant to section 60E.12, they shall report to the commissioner the premiums for direct business for risks resident or located within this state which the licensees have placed with or on behalf of a risk retention group not chartered in this state.*

(c) ~~To the extent agents or brokers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state and shall be subject to the same interest, fines, and penalties for nonpayment as that applicable to foreign admitted insurers.~~ *To the extent that insurance agents or brokers are utilized pursuant to section 60E.12, each agent or broker shall keep a complete and separate record of all policies procured from each risk retention group, which shall be open to examination by the commissioner, as provided in section 60A.031. These records shall, for each policy and each kind of insurance provided, include the following:*

(1) the limit of liability;

(2) the time period covered;

(3) the effective date;

(4) the name of the risk retention group which issued the policy;

(5) the gross premium charged; and

(6) the amount of return premiums, if any.

Sec. 19. Minnesota Statutes 1992, section 60E.04, subdivision 7, is amended to read:

Subd. 7. [EXAMINATION REGARDING FINANCIAL CONDITION.] A risk retention group must submit to an examination by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered *and licensed* has not initiated an examination or does not initiate an examination within ~~ten business~~ *60* days after a request by the commissioner of commerce. The examination must be coordinated to avoid unjustified repetition and conducted in an expeditious manner and in accordance with the National Association of Insurance Commissioner's Examiner Handbook.

Sec. 20. Minnesota Statutes 1992, section 60E.04, subdivision 8, is amended to read:

Subd. 8. [NOTICE TO PURCHASERS.] *An application form for insurance from a risk retention group and the front and declaration pages of* a policy issued by a risk retention group must contain in 10 point type ~~on the front page and the declaration page~~, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and rules of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

Sec. 21. Minnesota Statutes 1992, section 60E.04, subdivision 11, is amended to read:

Subd. 11. [PROHIBITED COVERAGE.] ~~No risk retention group may offer~~ *The terms of an* insurance policy *issued by a risk retention group shall not provide, or be construed to provide,* coverage prohibited by ~~the insurance laws or rules of this~~ state *statute* or declared unlawful by the highest court of ~~this~~ *the* state *whose law applies to the policy.*

Sec. 22. Minnesota Statutes 1992, section 60E.04, is amended by adding a subdivision to read:

Subd. 13. [PENALTIES.] *A risk retention group that violates any provision of this chapter is subject to fines and penalties including revocation of its right to do business in this state, applicable to licensed insurers generally.*

Sec. 23. Minnesota Statutes 1992, section 60E.05, is amended to read:

60E.05 [COMPULSORY ASSOCIATIONS.]

No risk retention group shall be *required or* permitted to join or contribute financially to an insurance insolvency guaranty fund, or similar mechanism, in this state, nor shall any risk retention group, or its insureds, or claimants against its insureds receive a benefit from the fund for claims arising out of the operations of the risk retention group.

~~A risk retention group shall participate in this state's joint underwriting associations and mandatory liability pools as provided by chapters 60A to 72A and 340A.~~ *When a purchasing group obtains insurance covering its members' risks from an insurer not authorized in this state or a risk retention group, no such risks, wherever resident or located, shall be covered by any insurance guaranty fund or similar mechanism in this state.*

When a purchasing group obtains insurance covering its members' risks from an authorized insurer, only risks resident or located in this state shall be covered by the Minnesota guaranty association under chapter 60C.

Notwithstanding chapter 62I, the commissioner may require or exempt a risk retention group from participation in any mechanism established or authorized under the law of this state for the equitable apportionment among insurers of liability insurance losses and expenses incurred on policies written through this mechanism, and the risk retention group shall submit sufficient information to the commissioner to enable the commissioner to apportion on a nondiscriminatory basis the risk retention group's proportionate share of these losses and expenses.

Sec. 24. Minnesota Statutes 1992, section 60E.07, is amended to read:

60E.07 [PURCHASING GROUPS; EXEMPTION FROM CERTAIN LAWS RELATING TO THE GROUP PURCHASE OF INSURANCE.]

A purchasing group ~~meeting the criteria established under the Federal Liability Risk Retention Act of 1986 is exempt from any law of this state relating to the creation of groups for the purchase of insurance, prohibition of group purchasing or any law that would discriminate against a purchasing group or its members. In addition, an insurer is exempt from any law of this state that prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters. A purchasing group is subject to all other applicable laws of this state.~~ *and its insurer or insurers are subject to all applicable laws of this state, except that a purchasing group and its insurer or insurers are exempt, in regard to liability insurance for the purchasing group, from any law that would:*

(1) prohibit the establishment of a purchasing group;

(2) make it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its members, advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

(3) prohibit a purchasing group or its members from purchasing insurance on a group basis described in clause (2);

(4) prohibit a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because any member has not belonged to the group for a minimum period of time;

(5) require that a purchasing group must have a minimum number of members, common ownership or affiliation, or certain legal form;

(6) require that a certain percentage of a purchasing group must obtain insurance on a group basis;

(7) otherwise discriminate against a purchasing group or any of its members; or

(8) require that any insurance policy issued to a purchasing group or any of its members be countersigned by an insurance agent or broker residing in this state.

Sec. 25. Minnesota Statutes 1992, section 60E.08, is amended to read:

60E.08 [NOTICE AND REGISTRATION REQUIREMENTS OF PURCHASING GROUPS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A purchasing group that intends to do business in this state shall, *prior to doing business,* furnish notice to the commissioner *on forms prescribed by the NAIC* which shall:

(1) identify the state in which the group is domiciled;

(2) *identify all other states in which the group intends to do business;*

(3) specify the lines and classifications of liability insurance which the purchasing group intends to purchase;

~~(3)~~ *(4)* identify the insurance company *or companies* from which the group intends to purchase its insurance and the domicile of the company;

~~(4)~~ *(5) specify the method by which, and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this state;*

(6) identify the principal place of business of the group; and

~~(5)~~ *(7)* provide other information required by the commissioner to verify that the purchasing group is qualified under section 60E.02, subdivision 11.

Subd. 2. [NOTICE OF CHANGE.] *A purchasing group shall, within ten days, notify the commissioner of any changes in any items set forth in subdivision 1.*

Subd. 3. [SERVICE OF PROCESS.] The purchasing group shall register with and designate the commissioner *or other appropriate authority* as its agent solely for the purpose of receiving service of legal documents or process *for which a filing fee shall be determined by the commissioner*. These requirements do not apply to a purchasing group that *only purchases insurance that was authorized under the federal Product Liability Risk Retention Act of 1981, and that in any state of the United States*:

(1) was domiciled before April 2, 1986, and is domiciled on and after October 27, 1986, in any state of the United States;

(2) before October 27, 1986, purchased insurance from an insurance carrier licensed in any state, and since October 27, 1986, purchased its insurance from an insurance carrier licensed in any state; *and*

(3) was a purchasing group under the requirements of the *federal* Product Liability Retention Act of 1981 before October 27, 1986; ~~and~~

~~(4) does not purchase insurance that was not authorized for purposes of an exemption under the act referred to in clause (3), as in effect before October 27, 1986~~.

Subd. 4. [ADDITIONAL INFORMATION.] *Each purchasing group that is required to give notice pursuant to subdivision 1 shall also furnish information required by the commissioner to:*

(1) verify that the entity qualifies as a purchasing group;

(2) determine where the purchasing group is located; and

(3) determine appropriate tax treatment.

Sec. 26. Minnesota Statutes 1992, section 60E.09, is amended to read:

60E.09 [RESTRICTIONS ON INSURANCE PURCHASED BY PURCHASING GROUPS.]

A purchasing group may not purchase insurance from a risk retention group that is not chartered in a state or from an insurer not admitted in the state in which the purchasing group is located, unless the purchase is effected through a licensed agent or broker acting pursuant to the surplus lines laws and regulations of the state.

A purchasing group which obtains liability insurance from an insurer not admitted in this state or a risk retention group shall inform each of the members of the group which have a risk resident or located in this state that the risk is not protected by an insurance insolvency guaranty fund in this state, and that the risk retention group or insurer may not be subject to all insurance laws and regulations of this state.

No purchasing group may purchase insurance providing for a deductible or self-insured retention applicable to the group as a whole, however, coverage may provide for a deductible or self-insured retention applicable to individual members.

Purchases of insurance by purchasing groups are subject to the same standards regarding aggregate limits which are applicable to all purchases of group insurance.

Sec. 27. [60E.095] [PURCHASING GROUP TAXATION.]

Premium taxes and taxes on premiums paid for coverage of risks resident or located in this state by a purchasing group or any members of the purchasing groups shall be:

(1) imposed at the same rate and subject to the same interest, fines, and penalties as that applicable to premium taxes and taxes on premiums paid for similar coverage from a similar insurance source by other insureds; and

(2) paid first by the insurance source, and if not by the source by the agent or broker for the purchasing group, and if not by the agent or broker then by the purchasing group, and if not by the purchasing group then by each of its members.

Sec. 28. Minnesota Statutes 1992, section 60E.10, is amended to read:

60E.10 [ADMINISTRATIVE AND PROCEDURAL AUTHORITY REGARDING RISK RETENTION GROUPS AND PURCHASING GROUPS.]

The commissioner of commerce may use any of the powers established under the insurance laws ~~and rules~~ of this state to enforce the laws ~~and rules~~ of this state ~~so long as those powers are~~ not specifically preempted by the Product Liability Risk Retention Act of 1981, as amended by the Risk Retention Amendments of 1986. This includes, but is not limited to, the commissioner's administrative authority to investigate, issue subpoenas, conduct depositions and hearings, issue orders, ~~and~~ impose penalties, *and seek injunctive relief*. With regard to an investigation, administrative proceedings, or litigation, the commissioner can rely on the procedural ~~law and rules~~ *laws* of the state. The injunctive authority of the commissioner in regard to risk retention groups is restricted by the requirement that an injunction be issued by a court of competent jurisdiction.

Sec. 29. Minnesota Statutes 1992, section 60E.12, is amended to read:

60E.12 [DUTY ON AGENTS OR BROKERS TO OBTAIN LICENSE.]

~~A person acting, or offering to act, as an agent or broker for a risk retention group or purchasing group, that solicits members, sells insurance coverage, purchases coverage for its members located within the state or otherwise does business in this state shall, before commencing this activity, obtain a license from the commissioner.~~ *Subdivision 1.* [RISK RETENTION GROUPS.] *No person, firm, association, or corporation shall act or aid in any manner in*

soliciting, negotiating, or procuring liability insurance in this state from a risk retention group unless the person, firm, association, or corporation is licensed as an insurance agent or broker in accordance with chapter 60K.

Subd. 2. [PURCHASING GROUPS.] *(a) No person, firm, association, or corporation shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state for a purchasing group from an authorized insurer or a risk retention group chartered in a state unless the person, firm, association, or corporation is licensed as an insurance agent or broker in accordance with chapter 60K.*

(b) No person, firm, association, or corporation shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance coverage in this state for any member of a purchasing group under a purchasing group's policy unless the person, firm, association, or corporation is licensed as an insurance agent or broker in accordance with chapter 60K.

(c) No person, firm, association, or corporation shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance from an insurer not authorized to do business in this state on behalf of a purchasing group located in this state unless the person, firm, association, or corporation is licensed as a surplus lines agent or excess line broker in accordance with sections 60A.195 to 60A.209.

Subd. 3. [AGENT OR BROKER RESIDENCE REQUIREMENT.] *For purposes of acting as an agent or broker for a risk retention group or purchasing group pursuant to subdivisions 1 and 2, the requirement of residence in this state does not apply.*

Subd. 4. [NOTICE TO INSUREDS.] *Every person, firm, association, or corporation licensed pursuant to chapter 60A, on business placed with risk retention groups or written through a purchasing group, shall inform each prospective insured of the provisions of the notice required by section 60E.04, subdivision 8, in the case of a risk retention group and section 60E.09 in the case of a purchasing group.*

Sec. 30. Minnesota Statutes 1992, section 60E.13, is amended to read:

60E.13 [BINDING EFFECT OF ORDERS ISSUED IN UNITED STATES DISTRICT COURT.]

An order issued by any district court of the United States enjoining a risk retention group from soliciting or selling insurance, or operating, in a state, or in all states or in a territory or possession of the United States, upon a finding that the group is in a hazardous financial condition *or financially impaired condition* shall be enforceable in the courts of the state.

Sec. 31. Minnesota Statutes 1992, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by ~~two nonaffiliated~~ *a* licensed insurance ~~companies,~~ *company* pursuant to subdivision 2. ~~Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.~~

Sec. 32. [TRANSITIONAL PROVISIONS.]

(a) In addition to complying with the requirements of Minnesota Statutes, section 60E.04, a risk retention group operating in this state before the effective date of this act shall, within 30 days after that date, comply with the provisions of Minnesota Statutes, section 60E.04, subdivision 2, paragraph (a).

(b) A purchasing group which was doing business in this state before the enactment of this act shall, within 30 days after the effective date of this act, furnish notice to the commissioner pursuant to Minnesota Statutes, section 60E.08, subdivision 1, and furnish the information required pursuant to Minnesota Statutes, section 60E.08, subdivisions 2 and 3.

Sec. 33. [REPEALER.]

Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60A.13, subdivision 3a; 60B.24; and 60E.11, are repealed. Minnesota Rules, parts 2710.0100; 2710.0200; 2710.0300; 2710.1100; 2710.1200; 2710.1300; 2710.1400; 2710.1500; 2710.1600; 2710.1700; 2710.1800; 2710.1900; 2710.2000; 2710.2100; 2710.3100; 2710.3200; and 2710.3300, are repealed."

Delete the title and insert:

"A bill for an act relating to insurance; regulating investments, assets and liabilities, and annual statements of companies; providing for continuance of coverage upon liquidation; modifying the definition of resident for purposes of the Minnesota insurance guaranty association; regulating dividends and other distributions of insurance holding company systems; regulating risk retention groups; enacting the NAIC model legislation; amending Minnesota Statutes 1992, sections 60A.11, subdivision 9; 60A.12, subdivision 3; 60A.13, subdivisions 1 and 6; 60A.23, subdivision 4; 60B.22, subdivision 1; 60C.03, subdivision 7; 60D.20, subdivisions 2 and 4; 60E.01; 60E.02, subdivisions 9 and 12; 60E.03; 60E.04, subdivisions 1, 2, 3, 4, 7, 8, 11, and by adding a subdivision; 60E.05; 60E.07; 60E.08; 60E.09; 60E.10; 60E.12; 60E.13; and 79.252, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A; and 60E; repealing Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60A.13, subdivision 3a; 60B.24; 60E.11; Minnesota Rules, parts 2710.0100; 2710.0200; 2710.0300; 2710.1100; 2710.1200; 2710.1300; 2710.1400; 2710.1500; 2710.1600; 2710.1700; 2710.1800; 2710.1900; 2710.2000; 2710.2100; 2710.3100; 2710.3200; and 2710.3300."

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

H.F. No. 168: A bill for an act relating to state government; authorizing state agencies to enter into contracts with regional organizations; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Page 2, line 11, after the comma, insert "*state funds for the service must first be offered to potential service providers in the area not served by an active commission. If no provider agrees to provide the service,*"

Page 2, line 13, delete "*shall*" and insert "*may*"

Page 2, line 16, after the comma, insert "*state funds for the service must first be offered to potential service providers in the area. If no provider agrees to provide the service,*"

Page 2, after line 20, insert:

"*(e) This subdivision does not limit the authority of a state agency to enter into contractual agreements for services with other agencies or with local units of government.*"

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. 95: A bill for an act relating to transportation; defining personal transportation service; allowing provision of telephone caller identification service for certain commercial carriers of passengers; amending Minnesota Statutes 1992, section 221.011, subdivision 34; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Delete everything after the enacting clause and insert:

"Section 1. [237.74] [CLASS SERVICE.]

Subdivision 1. [DEFINITION.] *For purposes of this section, "CLASS" or "custom local area signaling service" means a custom calling telephone service that is enabled through the installation or use of Signaling System 7 and that allows a person answering a telephone call to view, retrieve, retain, or in any way have access to the telephone number, name, or any other information relating to the telephone from which the call is placed.*

Subd. 2. [CLASS; TERMS AND CONDITIONS.] *By January 1, 1994, the commission shall determine the terms and conditions under which CLASS services may be provided by telephone companies in this state.*

Subd. 3. [CLASS; CAPABILITY AND OFFERING OF SERVICE.] *Each telephone company that provides local telephone service to persons located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington shall obtain the capability to offer CLASS services by January 1, 1995, unless the commission approves an extension to a date certain.*"

Delete the title and insert:

"A bill for an act relating to transportation; allowing provision of telephone caller identification service; proposing coding for new law in Minnesota Statutes, chapter 237."

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

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

S.F. No. 910: A bill for an act relating to motor carriers; defining exempt carriers to include certain tow trucks; amending Minnesota Statutes 1992, section 221.025.

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 169.01, subdivision 52, is amended to read:

Subd. 52. [TOW TRUCK OR TOWING VEHICLE.] "Tow truck" or "towing vehicle" means a motor vehicle having a manufacturer's gross vehicle weight rating of 8,000 pounds or more, equipped with a crane and winch, or an attached device used exclusively to transport vehicles, and further equipped to control the movement of the towed *or transported* vehicle.

Sec. 2. Minnesota Statutes 1992, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances~~,~~; and tow trucks *equipped with proper and legal warning devices* when picking up and transporting *(1)* disabled or wrecked motor vehicles ~~and when carrying proper and legal warning devices~~ *or (2) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order*;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board; and

(o) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 169.01, subdivision 52; and"

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. 474: A bill for an act relating to transportation; requiring metropolitan area highway projects' environmental impact statements to address economic, social, and demographic efforts; requiring the revision of the state transportation plan to establish objectives and policies for the health of the fully developed part of the metropolitan area; prohibiting federal section 9 money from being used for highways; requiring the metropolitan council's transportation policy plan to require comparison of highways to transit and effects of highways on land use and housing; providing that the transit goals include stabilizing and enhancing the health of the metropolitan area; amending Minnesota Statutes 1992, sections 116D.04, by adding a subdivision; 174.03, subdivision 1a; 473.146, subdivision 3; 473.167, subdivision 1; 473.371; proposing coding for new law in Minnesota Statutes, chapter 174.

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 174.03, subdivision 1a, is amended to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by July 1, 1993, and by July 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01; ~~and~~

(2) establish objectives, policies, and strategies for achieving those goals; *and*

(3) establish transportation objectives, policies, and strategies for the metropolitan area, as defined in section 473.121, subdivision 2, to help stabilize and enhance the social and economic health of the central cities, the fully developed area, and the metropolitan area as a whole.

Sec. 2. Minnesota Statutes 1992, section 473.146, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION CHAPTER OF THE DEVELOPMENT GUIDE.] The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system; ~~and~~

(7) a general statement on the level of public expenditure appropriate to the facilities;

(8) procedures for determining whether the need to be met by any highway project that involves capacity improvement could be met at less cost, with less traffic congestion, and less environmental impact by transit improvements within the same transportation corridor; and

(9) provisions for consideration of the effects of highway projects in conjunction with land use and housing, including low- and moderate-income housing, on the social and economic isolation of low-income populations from growing economic opportunities in the developing suburban areas, within the area immediately affected by the project and within the entire metropolitan area.

The council shall develop the nontransit element in consultation with the transportation advisory board and shall transmit the results to the state department of transportation.

Sec. 3. Minnesota Statutes 1992, section 473.371, subdivision 2, is amended to read:

Subd. 2. [GOALS.] The goals of sections 473.371 to 473.449 are as follows:

(a) to provide, to the greatest feasible extent, a basic level of mobility for all people in the metropolitan area;

(b) to arrange to the greatest feasible extent for the provision of a comprehensive set of transit and paratransit services to meet the needs of all people in the metropolitan area;

(c) to cooperate with private and public transit providers to assure the most efficient and coordinated use of existing and planned transit resources; ~~and~~

(d) to maintain public mobility in the event of emergencies or energy shortages*; and*

(e) to help stabilize and enhance the social and economic health of the metropolitan area by ensuring to the greatest feasible extent comprehensive transit services including, but not limited to, service connecting the central cities to areas with employment opportunities and services.

Sec. 4. [APPLICATION.]

Sections 2 and 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; including in state transportation plan and metropolitan council development guide certain matters relating to metropolitan area; amending Minnesota Statutes 1992, sections 174.03, subdivision 1a; 473.146, subdivision 3; and 473.371, subdivision 2."

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 re-referred

S.F. No. 184: A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 84.91; 84.911; 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

"Section 1. [84.93] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The definitions in this section apply to sections 1 to 10.*

Subd. 2. [ACCOMPANIED.] *"Accompanied" means subject to continuous direction or control.*

Subd. 3. [CITY.] *"City" means a statutory or home rule charter city.*

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

Subd. 5. [DEALER.] *"Dealer" means a person engaged in the business of selling off-highway motorcycles at wholesale or retail.*

Subd. 6. [MANUFACTURER.] *"Manufacturer" means a person engaged in the business of manufacturing off-highway motorcycles.*

Subd. 7. [OFF-HIGHWAY MOTORCYCLE.] *"Off-highway motorcycle" means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.*

Subd. 8. [OWNER.] *"Owner" means a person, other than a person with a security interest, that has a property interest in or title to an off-highway motorcycle and is entitled to the use and possession of the motorcycle.*

Subd. 9. [PERSON.] *"Person" has the meaning given it in section 336.1-201, subsection (30).*

Subd. 10. [PUBLIC ROAD RIGHT-OF-WAY.] *"Public road right-of-way" means the entire right-of-way of a town road or a county, county state-aid, or trunk highway, including the traveled portions, banks, ditches, shoulders, and medians.*

Subd. 11. [REGISTER.] *"Register" means the act of assigning a registration number to an off-highway motorcycle.*

Sec. 2. [84.931] [REGISTRATION.]

Subdivision 1. [GENERAL REQUIREMENTS.] *Unless exempted in subdivision 2, after January 1, 1994, a person may not operate and an owner may not give permission for another to operate an off-highway motorcycle on public lands or waters unless the vehicle has been registered under this section.*

Subd. 2. [EXEMPTIONS.] *Registration is not required for off-highway motorcycles:*

(1) owned and used by the United States, the state, another state, or a political subdivision;

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) used exclusively in organized track racing events;

(4) being used on private land with the permission of the landowner; or

(5) registered under chapter 168, when operated on forest roads to gain access to a state forest campground.

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] *Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of 50 cents in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official.*

Subd. 4. [REGISTRATION CARD; REPLACEMENT FEE.] *The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the off-highway motorcycle, the owner's name and address, and additional information the commissioner may require. Information concerning registrations must be kept by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed, the commissioner shall issue a replacement registration card upon payment of a fee of $4. The fees collected from replacement registration cards must be credited to the off-highway motorcycle account.*

Subd. 5. [REPORT OF TRANSFERS; FEE.] *A person who sells or transfers ownership of an off-highway motorcycle registered under this section shall report the sale or transfer to the commissioner within 15 days of the date of transfer. An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, a bill of sale, and a $4 fee.*

Subd. 6. [REGISTRATION FEES.] *(a) The fee for registration of an off-highway motorcycle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is $30 for three years and $4 for a duplicate or transfer.*

(b) The total registration fee for off-highway motorcycles owned by a dealer and operated for demonstration or testing purposes is $50 per year. Dealer registrations are not transferable.

(c) The total registration fee for off-highway motorcycles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is $150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be credited to the off-highway motorcycle account.

Subd. 7. [RENEWAL.] *An owner of an off-highway motorcycle must renew registration in a manner prescribed by the commissioner upon payment of the appropriate registration fee in subdivision 6.*

Subd. 8. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] *A registration number must be issued without the payment of a fee for off-highway motorcycles owned by the state or political subdivision upon application.*

Subd. 9. [LICENSING BY POLITICAL SUBDIVISIONS.] *A political subdivision of this state may not require licensing or registration of off-highway motorcycles covered by sections 1 to 10.*

Subd. 10. [REGISTRATION BY MINORS PROHIBITED.] *A person under the age of 18 may not register an off-highway motorcycle.*

Sec. 3. [84.932] [REQUIREMENTS OF MAKERS OF OFF-HIGHWAY MOTORCYCLES.]

Subdivision 1. [IDENTIFICATION NUMBER.] *An off-highway motorcycle made after January 1, 1994, and sold in the state, must have a manufacturer's permanent identification number stamped in letters and numbers on the vehicle in the form and at a location prescribed by the commissioner.*

Subd. 2. [REGISTRATION NUMBER.] *An off-highway motorcycle made after January 1, 1995, and sold in the state, must be designed and made to provide an area to affix the registration number. This area must be at a location and of dimensions prescribed by the commissioner.*

Sec. 4. [84.933] [RULEMAKING; ACCIDENT REPORT.]

(a) With a view of achieving proper use of off-highway motorcycles consistent with protection of the environment, the commissioner, in consultation with the commissioners of public safety and transportation, shall adopt rules under chapter 14 relating to:

(1) registration of off-highway motorcycles and display of registration numbers;

(2) use of off-highway motorcycles insofar as game and fish resources are affected;

(3) use of off-highway motorcycles on public lands and waters under the jurisdiction of the commissioner;

(4) uniform signs to be used by the state, counties, and cities necessary or desirable to control, direct, or regulate the operation and use of off-highway motorcycles; and

(5) off-highway motorcycle sound levels.

(b) The commissioner of public safety, in consultation with the commissioner of natural resources, may adopt rules under chapter 14 regulating the use of off-highway motorcycles on public roads.

(c) The operator and an officer investigating an accident of an off-highway motorcycle resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of $500 or more shall forward within ten days a written report of the accident to the commissioner on a form prescribed by the commissioner.

Sec. 5. [84.934] [EDUCATION AND TRAINING.]

Subdivision 1. [PROGRAM ESTABLISHED.] *The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-highway motorcycle operators, and the issuance of off-highway motorcycle safety certificates to operators under the age of 16 years who successfully complete the off-highway motorcycle environment and safety education and training courses.*

Subd. 2. [FEE.] *For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed $5 from each person who receives the training. The fees must be credited to the off-highway motorcycle account.*

Subd. 3. [COOPERATION AND CONSULTATION.] *The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of off-road motorcycle operators.*

Sec. 6. [84.935] [SIGNAL FROM OFFICER TO STOP.]

An off-highway motorcycle operator, after having received a visual or audible signal from a law enforcement officer to come to a stop, may not:

(1) operate an off-highway motorcycle in willful or wanton disregard of the signal to stop;

(2) interfere with or endanger the law enforcement officer or another person or vehicle; or

(3) increase speed or attempt to flee or elude the officer.

Sec. 7. [84.936] [YOUTHFUL OPERATORS; PROHIBITIONS.]

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] *(a) After January 1, 1995, a person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.*

(b) Except for operation on public road rights-of-way that is permitted under section 9, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied on another off-highway motorcycle by a person 18 years of age or older.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 9, subdivision 1, paragraph (a), only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

Subd. 2. [HELMET REQUIRED.] *A person less than 18 years of age may not operate an off-highway motorcycle on public land, public waters, or on a public road right-of-way unless wearing a safety helmet approved by the commissioner of public safety.*

Subd. 3. [PROHIBITIONS ON OWNER.] *An owner of an off-highway motorcycle may not knowingly allow it to be operated contrary to this section.*

Subd. 4. [EYE PROTECTION REQUIRED.] *A person may not operate an off-highway motorcycle without an eye-protective device.*

Sec. 8. [84.937] [OFF-HIGHWAY MOTORCYCLE ACCOUNT; RECEIPTS AND ALLOCATIONS.]

Subdivision 1. [REGISTRATION REVENUE AND UNREFUNDED GASOLINE TAX.] *Fees from the registration of off-highway motorcycles must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.*

Subd. 2. [PURPOSES.] *(a) Subject to appropriation by the legislature, money in the off-highway motorcycle account may only be spent for:*

(1) administration and implementation of sections 1 to 10;

(2) acquisition, maintenance, and development of off-highway motorcycle trails and use areas; and

(3) grants-in-aid to counties and municipalities to construct and maintain off-highway motorcycle trails and use areas.

(b) The distribution of funds made available for grants-in-aid must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 9. [84.938] [OPERATION REQUIREMENTS; LOCAL REGULATION.]

Subdivision 1. [OPERATION ON PUBLIC ROAD RIGHTS-OF-WAY.] *(a) A person may not operate an off-highway motorcycle within the right-of-way*

of a trunk, county state-aid, or county highway in this state unless the right-of-way encompasses:

(1) a trail administered by the commissioner and designated for off-highway motorcycle use or multiple use; or

(2) a corridor access trail designated under paragraph (b).

(b) A road authority, as defined in section 160.02, subdivision 9, may designate, with the approval of the commissioner, corridor access trails on public road rights-of-way for gaining access to established off-highway motorcycle trails.

(c) A person may not operate an off-highway motorcycle upon a trunk, county state-aid, or county highway in this state unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rule of the commissioner, and with brakes conforming to standards prescribed by rule of the commissioner, all of which are subject to the approval of the commissioner of public safety.

(d) A person may not operate an off-highway motorcycle at any time within the right-of-way of an interstate highway or freeway within this state.

Subd. 2. [CROSSING PUBLIC ROAD RIGHT-OF-WAY.] *(a) A person operating an off-highway motorcycle may make a direct crossing of a public road right-of-way provided:*

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the road and at a place where no obstruction prevents a quick and safe crossing;

(2) the off-highway motorcycle is brought to a complete stop before crossing the shoulder or main traveled way of the road;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided road, the crossing is made only at an intersection of the road with another public road; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(b) Chapter 169 applies to the operation of off-highway motorcycles upon streets and highways, except for those provisions relating to required equipment and those provisions that by their nature have no application.

Subd. 3. [EXEMPTIONS.] *Subdivisions 1 and 2 do not apply to vehicles registered for public road use under chapter 168 when being operated on a traveled portion of a public road.*

Subd. 4. [OPERATION GENERALLY.] *A person may not drive or operate an off-highway motorcycle:*

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) in a tree nursery or planting in a manner that damages or destroys growing stock;

(4) without a brake operational by either hand or foot;

(5) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person fishing or a fishing shelter; or

(6) in a manner that violates operation rules adopted by the commissioner.

Subd. 5. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] *A person may not operate or be in control of an off-highway motorcycle anywhere in this state or on the ice of any boundary water of this state while under the influence of alcohol or a controlled substance, as provided in section 169.121, and is subject to section 169.123. A conservation officer of the department of natural resources is a peace officer for the purposes of sections 169.121 and 169.123 as applied to the operation of an off-highway motorcycle in a manner not subject to registration under chapter 168.*

Subd. 6. [OPERATION PROHIBITED ON AIRPORTS.] *A person may not drive or operate an off-highway motorcycle on an airport defined in section 360.013, subdivision 5.*

Subd. 7. [ORGANIZED CONTESTS.] *Nothing in this section or chapter 169 prohibits the use of off-highway motorcycles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest or event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.*

In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions, conditions, or permit revocation procedures, as the official or board considers advisable.

Subd. 8. [REGULATIONS BY POLITICAL SUBDIVISIONS.] *A county, city, or town, acting through its governing body, may regulate the operation of off-highway motorcycles on public lands, waters, and property under its jurisdiction other than public road rights-of-way within its boundaries, by resolution or ordinance of the governing body and by giving appropriate notice, provided that:*

(1) the regulations must be consistent with sections 1 to 10 and rules adopted under section 4;

(2) an ordinance may not impose a fee for the use of public land or water under the jurisdiction of either the department of natural resources or another agency of the state, or for the use of an access to it owned by the state, a county, or a city; and

(3) an ordinance may not require an off-highway motorcycle operator to possess a motor vehicle driver's license while operating an off-highway motorcycle.

Sec. 10. [84.939] [PENALTIES.]

A person who violates a provision of section 2, 3, 6, 7, or 9 is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1992, section 85.018, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF LOCAL GOVERNMENT.] (a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner or land lessee, may:

(1) designate the trail for use by snowmobiles or for nonmotorized use from December 1 to April 1 of any year; and

(2) issue any permit required under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.927, subdivision 2, *or section 8, subdivision 2,* for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail specifically for use at various times of the year by all-terrain vehicles *or off-highway motorcycles*, for nonmotorized use such as ski touring, snowshoeing, and hiking, and for multiple use, but not for motorized and nonmotorized use at the same time; and

(2) issue any permit required under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee, may designate certain trails for joint use by snowmobiles, *off-highway motorcycles,* and all-terrain vehicles.

Sec. 12. Minnesota Statutes 1992, section 85.018, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED USE; PERMITS, RESTRICTIONS.] Permits may be issued for motorized vehicles, other than those designated, to use a trail designated for use by snowmobiles, *off-highway motorcycles,* or all-terrain vehicles. Notice of the permit must be conspicuously posted, at the expense of the permit holder, at no less than one-half mile intervals along the trail, for the duration of the permit. Permits shall require that permit holders return the trail and any associated facility to their original condition if any damage is done by the permittee. Limited permits for special events such as races may be issued and shall require the removal of any trail markers, banners and other material used in connection with the special event.

Sec. 13. Minnesota Statutes 1992, section 85.018, subdivision 5, is amended to read:

Subd. 5. [~~SNOWMOBILE AND ALL-TERRAIN~~ *MOTORIZED* VEHICLE TRAILS RESTRICTED.] (a) From December 1 to April 1 in any year no use of a motorized vehicle other than a snowmobile, unless authorized by permit, lease or easement, shall be permitted on a trail designated for use by snowmobiles.

(b) From December 1 to April 1 in any year no use of a motorized vehicle other than an all-terrain vehicle *and an off-highway motorcycle*, unless authorized by permit, shall be permitted on a trail designated for use by all-terrain vehicles *and off-highway motorcycles*.

Sec. 14. Minnesota Statutes 1992, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision 8, ~~is not an implement~~ *and an off-highway motorcycle, as defined in section 1, subdivision 7, are not implements* of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.

Sec. 15. Minnesota Statutes 1992, section 466.03, subdivision 16, is amended to read:

Subd. 16. Any claim against a county, arising from the operation of an all-terrain vehicle *or off-highway motorcycle* on land administered by a county under chapter 280, 281, or 282, except that the county is liable for conduct that would entitle a trespasser to damages against a private person.

Sec. 16. [DETERMINATION OF TAX ALLOCATION; REPORT TO LEGISLATURE.]

The commissioners of natural resources, revenue, and transportation shall jointly determine the amount of unrefunded gasoline tax attributable to

off-highway motorcycle use in the state and shall report to the legislature by March 1, 1994, with an appropriate proposed revision to Minnesota Statutes, section 296.16.

Sec. 17. [LEGISLATIVE REPORT ON REGISTRATION AND USE.]

By January 1, 1995, the commissioner of natural resources shall report to the legislature on the number of off-highway motorcycles registered under section 2 and the growth patterns of off-highway motorcycle use in the state.

Sec. 18. [APPROPRIATION AND REIMBURSEMENT; INCREASED COMPLEMENT.]

Subdivision 1. [TO COMMISSIONER OF NATURAL RESOURCES.] *$..... is appropriated to the commissioner of natural resources from the general fund for the purposes of sections 1 to 17 and is available for the fiscal year ending June 30, 1994. The approved complement of the department of natural resources is increased by .... positions.*

Subd. 2. [REIMBURSEMENT.] *Amounts spent by the commissioner of natural resources from the appropriation in subdivision 1 must be reimbursed to the general fund. The amount necessary to make the reimbursement is appropriated from the off-highway motorcycle account in the natural resources fund to the commissioner of finance for transfer to the general fund.*"

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Ms. Lesewski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 771: A bill for an act relating to motor fuels; changing the formula for payments made to producers of ethanol; increasing oxygenate level requirements for gasoline; authorizing the pollution control agency to contract to expedite permit process; eliminating certain LGA/HACA offsets for tax increment financing districts; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 116.07, subdivision 4a; 239.791, subdivisions 1 and 2; and 273.1399, by adding a subdivision.

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

Page 4, line 12, strike "an average of" and insert "*at least*" and reinstate the stricken "2.7" and delete "*three*"

Page 4, line 24, after the period, insert "*Sections 2 to 5 are effective the day following final enactment.*"

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

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

S.F. No. 1163: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of regional recreation open space lands by the metropolitan council and metropolitan area local government units; authorizing the issuance of state bonds; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

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

S.F. No. 695: A bill for an act relating to metropolitan government; providing long-term protection of agricultural land in the metropolitan area; amending Minnesota Statutes 1992, sections 473H.01, subdivision 2; 473H.02, subdivision 4; 473H.03, subdivisions 1, 4, 5, and 6; 473H.04, subdivisions 1, 2, and 3; 473H.05, subdivision 1; 473H.06, subdivision 5; 473H.07; 473H.08, subdivision 3; 473H.11; and 473H.12; repealing Minnesota Statutes 1992, section 473H.02, subdivision 5.

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 473H.11, is amended to read:

473H.11 [LIMITATION ON CERTAIN PUBLIC PROJECTS.]

Notwithstanding chapter 429, construction projects for public sanitary sewer systems and public water systems benefiting land or buildings in agricultural preserves shall be prohibited. New connections between land or buildings in agricultural preserves and sanitary sewers or water systems shall be prohibited. Public sanitary sewer ~~or~~ *systems, public storm water sewer systems, public* water systems, *public roads, and other public improvements* built *on, adjacent to, or* in the vicinity of agricultural preserves *after the effective date of this act* are deemed of no benefit to the land and buildings in agricultural preserves.

For purposes of this section, "public storm water sewer systems" means any wholly or partially piped system which is owned, operated, and maintained by the authority, that is designed to carry storm water runoff, surface water, or other drainage primarily for the benefit of land which is not in agricultural preserves.

Sec. 2. Minnesota Statutes 1992, section 473H.12, is amended to read:

473H.12 [PROTECTION FOR NORMAL FARM PRACTICES.]

Local governments and counties shall be prohibited from enacting *or enforcing* ordinances or regulations within an agricultural preserve which would, *as adopted or applied,* unreasonably restrict or regulate normal farm

structures or farm practices in contravention of the purpose of sections 473H.02 to 473H.17 unless the restriction or regulation bears a direct relationship to *an immediate and substantial threat to* the public health and safety. This section shall apply to the operation of farm vehicles and machinery in the planting, maintenance and harvesting of crops and in the care and feeding of farm animals, the type of farming, and the design of farm structures, exclusive of residences.

Sec. 3. [APPLICATION.]

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

Delete the title and insert:

''A bill for an act relating to metropolitan government; providing long-term protection of agricultural land in the metropolitan area; amending Minnesota Statutes 1992, sections 473H.11; and 473H.12.''

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

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

S.F. No. 1046: A bill for an act relating to crimes; prohibiting persons from interfering with access to medical facilities; prescribing penalties; authorizing civil and equitable remedies; amending Minnesota Statutes 1992, section 488A.101; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 2, delete lines 4 to 9 and insert:

''*(b) ''Aggrieved party'' means a person whose access to or egress from a medical facility is obstructed in violation of subdivision 2, or the medical facility.*''

Page 2, line 12, after ''*individual's*'' insert ''*lawful*'' and after the second ''*or*'' insert ''*egress*''

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

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

S.F. No. 1178: A bill for an act relating to agriculture; declaring llamas to be livestock and raising llama to be an agricultural pursuit; defining llama farming as agricultural production for purposes of the sales tax; amending Minnesota Statutes 1992, sections 17A.03, subdivision 5; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; and 297A.01, subdivision 13; 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. [17.453] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 1 and 2.*

Subd. 2. [OWNER.] *"Owner" means a person who owns or is responsible for the raising of ratitae.*

Subd. 3. [RATITAE.] *"Ratitae" means members of the ratitae family (including ostrich, emu, and rhea) that are raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock.*

Sec. 2. [17.454] [RATITAE.]

Subdivision 1. [RATITAE ARE LIVESTOCK.] *Ratitae are livestock and are not wild animals for purposes of hunting or wildlife laws. Ratitae and their products are farm products and livestock for purposes of financial transactions and collateral.*

Subd. 2. [RAISING RATITAE IS AN AGRICULTURAL PURSUIT.] *Raising ratitae is agricultural production and an agricultural pursuit.*

Subd. 3. [SALES OF RATITAE AND MEAT PRODUCTS.] *Persons selling or buying ratitae sold as livestock, sold for human consumption, or sold for slaughter must comply with chapters 17A, 28A, 31, 31A, and 31B.*

Subd. 4. [SLAUGHTER.] *Ratitae must be slaughtered in a facility licensed and inspected by the Minnesota department of agriculture.*

Subd. 5. [DISEASE INSPECTION.] *Ratitae are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.*

Sec. 3. [17.455] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 3 and 4.*

Subd. 2. [LLAMA.] *"Llama" means a member of the genus llama that is raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock.*

Subd. 3. [OWNER.] *"Owner" means a person who owns or is responsible for the raising of llamas.*

Sec. 4. [17.456] [LLAMA.]

Subdivision 1. [LLAMAS ARE LIVESTOCK.] *Llamas are livestock and are not wild animals for purposes of hunting or wildlife laws. Llamas and their products are farm products and livestock for purposes of financial transactions and collateral.*

Subd. 2. [RAISING LLAMAS IS AN AGRICULTURAL PURSUIT.] *Raising llamas is agricultural production and an agricultural pursuit.*

Subd. 3. [SALES OF LLAMAS AND MEAT PRODUCTS.] *Persons selling or buying llamas sold as livestock, sold for human consumption, or sold for slaughter must comply with chapters 17A, 28A, 31, 31A, and 31B.*

Subd. 4. [SLAUGHTER.] *Llamas must be slaughtered in a facility licensed and inspected by the Minnesota department of agriculture.*

Subd. 5. [DISEASE INSPECTION.] *Llamas are subject to chapter 35 and the rules of the board of animal health in the same manner as livestock and domestic animals, including provisions relating to importation and transportation.*

Sec. 5. Minnesota Statutes 1992, section 17A.03, subdivision 5, is amended to read:

Subd. 5. [LIVESTOCK.] "Livestock" means cattle, sheep, swine, horses intended for slaughter, mules, *llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3,* and goats.

Sec. 6. Minnesota Statutes 1992, section 31.51, subdivision 9, is amended to read:

Subd. 9. "Animal" means cattle, swine, sheep, goats, horses, mules or other equines, *llamas as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3.*

Sec. 7. Minnesota Statutes 1992, section 31A.02, subdivision 4, is amended to read:

Subd. 4. [ANIMALS.] "Animals" means cattle, swine, sheep, goats, *llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3,* horses, equines, and other large domesticated animals, not including poultry.

Sec. 8. Minnesota Statutes 1992, section 31A.02, subdivision 10, is amended to read:

Subd. 10. [MEAT FOOD PRODUCT.] "Meat food product" means a product usable as human food and made wholly or in part from meat or a portion of the carcass of cattle, sheep, swine, *llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3,* or goats. "Meat food product" does not include products which contain meat or other portions of the carcasses of cattle, sheep, swine, *llamas, ratitae,* or goats only in a relatively small proportion or that historically have not been considered by consumers as products of the meat food industry, and which are exempted from definition as a meat food product by the commissioner under the conditions the commissioner prescribes to assure that the meat or other portions of carcasses contained in the products are not adulterated and that the products are not represented as meat food products.

"Meat food product," as applied to products of equines, has a meaning comparable to that for cattle, sheep, swine, *llamas, ratitae,* and goats.

Sec. 9. Minnesota Statutes 1992, section 31B.02, subdivision 4, is amended to read:

Subd. 4. [LIVESTOCK.] "Livestock" means live or dead cattle, sheep, swine, horses, mules, *llamas, as defined in section 17.455, subdivision 2, ratitae, as defined in section 17.453, subdivision 3,* or goats."

Delete the title and insert:

"A bill for an act relating to agriculture; declaring llamas and ratitae to be livestock and raising llamas and ratitae to be agricultural pursuits; amending Minnesota Statutes 1992, sections 17A.03, subdivision 5; 31.51, subdivision

9; 31A.02, subdivisions 4 and 10; and 31B.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17."

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

H.F. No. 1454: A bill for an act relating to the city of Hutchinson; permitting the city to erect certain signs.

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

Ms. Piper from the Committee on Family Services, to which was re-referred

S.F. No. 190: A bill for an act relating to government data practices; providing that certain criminal conviction data are public; providing that a record of conviction of certain crimes and other determinations disqualify an individual from obtaining certain human services licenses; providing for access to certain data on day care and foster care licensees; amending Minnesota Statutes 1992, sections 13.46, subdivision 4; 13.87, subdivision 2; and 245A.04, subdivision 3b.

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

Ms. Piper from the Committee on Family Services, to which was referred

S.F. No. 1241: A bill for an act relating to human services; establishing an alternative grant application process for categorical social service programs in Pine county.

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

Delete everything after the enacting clause and insert:

"Section 1. [AUTHORIZATION FOR DEMONSTRATION PROJECT.]

The commissioner of human services shall allow Pine county to send a letter of intent in lieu of completing a grant application to apply for categorical social service funding as part of a four-year intergovernmental agreement demonstration project. The demonstration project is an alternative method of obtaining social service funding which is part of a larger project to simplify and consolidate social services planning and reporting in Pine county. The demonstration project is an effort to streamline planning and remove administrative burdens on smaller counties.

Sec. 2. [SOCIAL SERVICE PLAN.]

Pine county must amend its social service plan within 12 months of receiving funding to incorporate the requirements of the grant application process into the social service plan.

Sec. 3. [COMPLIANCE AND MONITORING.]

The commissioner may terminate the demonstration project if Pine county is not using the categorical funding for the intended purpose. The commissioner shall send Pine county a 60-day notice and provide an opportunity for Pine county to appeal before terminating the project.

Sec. 4. [REPORT.]

The commissioner shall report to the legislature annually beginning January 1, 1995. The report shall evaluate Pine county's intergovernmental agreements project and also the advantages of the alternative funding process for counties with a population under 30,000."

And when so amended the bill do pass and be placed on the Consent Calendar.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 157 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
157	1279				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1228 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1228	664				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 785 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
785	662				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 785 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 785 and insert the language after the enacting clause of S.F. No. 662, the first engrossment; further, delete the title of H.F. No. 785 and insert the title of S.F. No. 662, the first engrossment.

And when so amended H.F. No. 785 will be identical to S.F. No. 662, and further recommends that H.F. No. 785 be given its second reading and substituted for S.F. No. 662, and that the Senate File be indefinitely postponed.

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

Ms. Piper from the Committee on Family Services, to which was re-referred

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

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

Page 1, line 7, delete "*$.....*" and insert "*$300,000*"

Page 1, line 9, delete "*human services*"

Page 1, line 10, delete "*enterprise zone*" and insert "*collaborative service area*"

Page 1, line 12, delete "*zone*" and insert "*collaborative service area*"

Page 1, line 20, after "*state,*" insert "*county,*"

Page 2, line 1, delete "*human service enterprise zone*" and insert "*collaborative service area*"

Page 2, line 5, after "*agency*" insert "*and for the legislature*"

Page 2, line 8, delete "*human services enterprise zone*" and insert "*collaborative service area*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "human services enterprise zone" and insert "collaborative service area"

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 240, 785, 1193, 1232, 1528, 869, 685, 1299, 1187, 699, 1602, 751, 1446, 910, 474, 695, 1046, 1178 and 190 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 74, 237, 498, 477, 783, 520, 1153, 1404, 945, 806, 670, 667, 226, 168, 1454, 157, 1228 and 785 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Sams moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 699. The motion prevailed.

Mr. Chandler moved that his name be stricken as a co-author to S.F. No. 1053. The motion prevailed.

Mr. Moe, R.D. moved that his be stricken as a co-author to S.F. No. 1053. The motion prevailed.

Mr. Sams moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1609. The motion prevailed.

Mr. Hottinger moved that S.F. No. 832 be withdrawn from the Committee on Governmental Operations and Reform and re-referred to the Committee on Finance. The motion prevailed.

Ms. Olson introduced—

Senate Resolution No. 36: A Senate resolution congratulating Hilltop Primary School for receiving the 1992-1993 MESPA School of Excellence award.

Referred to the Committee on Rules and Administration.

Mr. Luther moved that H.F. No. 639 be withdrawn from the Committee on Commerce and Consumer Protection and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1528, now on General Orders. The motion prevailed.

Mr. Morse moved that S.F. No. 762 be withdrawn from the Committee on Transportation and Public Transit and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Murphy; Vickerman; Johnson, D.E.; Luther and Larson introduced—

S.F. No. 1612: A bill for an act relating to the military; changing the national guard tuition reimbursement law; amending Minnesota Statutes 1992, section 192.501, subdivision 2.

Referred to the Committee on Finance.

Mr. Kroening and Ms. Johnson, J.B. introduced—

S.F. No. 1613: A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.12, subdivision 12; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Messrs. Beckman; Johnson, D.J.; Moe, R.D.; Neuville and Solon were excused from the Session of today.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 8:30 a.m., Monday, April 19, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate