

SEVENTY-NINTH DAY

St. Paul, Minnesota, Tuesday, March 29, 1994

The Senate met at 4:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor James D. Habiger.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 28, 1994

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. No. 1820.

Warmest regards,
Arne H. Carlson, Governor

March 28, 1994

The Honorable Irv Anderson
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 1994 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 1994	Date Filed 1994
	1956	378	11:27 a.m. March 28	March 28
	1955	379	11:25 a.m. March 28	March 28
1820		380	11:20 a.m. March 28	March 28
	1885	382	11:22 a.m. March 28	March 28

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 6: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1994

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2383 and 2274.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1994

Mr. President:

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

S.F. No. 2095: A bill for an act relating to employment; modifying

provisions relating to the public employee vacation donation program; amending Minnesota Statutes 1992, section 43A.181, subdivision 3.

Senate File No. 2095 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1994

Mr. Moe, R.D. moved that S.F. No. 2095 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2074:

H.F. No. 2074: A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder or first degree criminal sexual conduct after age 16; providing for presumptive certification to adult court for juveniles alleged to have committed other prison-level felonies; authorizing the court or the prosecutor to designate a juvenile a serious youthful offender; authorizing adult felony sentences for serious youthful offenders; extending juvenile court jurisdiction to age 23; limiting certification to adult court to felony offenses; extending a right to jury trial to serious youthful offenders; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed nonfelony-level traffic offenses after age 16; authorizing the juvenile court to require parents to attend delinquency hearings; providing for the sharing of certain data collected or maintained on juveniles; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 13.99, subdivision 79; 242.31, subdivision 1; 242.32; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a subdivision; 260.132; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a, 2, and by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 3; 260.193, subdivisions 1, 3, 4, 6, and by adding a subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 144.651, subdivisions 2, 21, and 26; 253B.03, subdivisions 3 and 4; 260.155, subdivision 1; 260.161, subdivisions 1 and 3; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivision 1; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for

new law in Minnesota Statutes, chapters 260; 299A; 388; and 609; repealing Minnesota Statutes 1992, section 260.125, subdivision 3.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Skoglund, Murphy, Pugh, Carruthers and Macklin have been appointed as such committee on the part of the House.

House File No. 2074 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1994

Ms. Ranum moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2074, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 985, 1416, 2623, 1829, 1881, 1913, 2178, 2187, 2567, 2675, 2680, 2692, 2058, 2591, 2772, 2200, 2237, 2321, 2311, 2360 and 2497.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1994

FIRST READING OF HOUSE BILLS

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

H.F. No. 985: A bill for an act relating to retirement; public employees police and fire fund; modifying the disability benefit limitation for reemployed disabilitants; amending Minnesota Statutes 1992, section 353.656, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 793.

H.F. No. 1416: A bill for an act relating to retirement; Austin fire department relief association; modifying health insurance benefit coverage for the spouses of certain retired firefighters; providing survivor benefit coverage for the spouses of certain retired firefighters; amending Laws 1992, chapter 455, section 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1280.

H.F. No. 2623: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Itasca county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2562.

H.F. No. 1829: A bill for an act relating to housing; requiring copies of evacuation plans for residents of manufactured home parks; amending Minnesota Statutes 1992, sections 290A.19; and 327C.02, subdivision 5, and by adding a subdivision; Minnesota Statutes 1993 Supplement, section 327.20, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2778.

H.F. No. 1881: A bill for an act relating to the city of Red Wing; authorizing certain police officers to elect retirement coverage by the public employees police and fire fund.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1680.

H.F. No. 1913: A bill for an act relating to retirement; St. Paul police consolidation account; authorizing the payment of refunds to the estates of certain deceased police officers.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2394.

H.F. No. 2178: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Meeker county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2017, now on the Consent Calendar.

H.F. No. 2187: A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2062.

H.F. No. 2567: A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2447.

H.F. No. 2675: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2305.

H.F. No. 2680: A bill for an act relating to charitable organizations; changing definitions; modifying registration requirements; amending Minnesota Statutes 1993 Supplement, section 309.501, subdivisions 1 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2231.

H.F. No. 2692: A bill for an act relating to state lands; authorizing private sale of certain state land in Crow Wing county to resolve an encroachment situation.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2436, now on the Consent Calendar.

H.F. No. 2058: A bill for an act relating to human services; removing the expiration date for the ombudsman committee for mental health and retardation; amending Minnesota Statutes 1993 Supplement, section 245.97, subdivision 6.

Referred to the Committee on Health Care.

H.F. No. 2591: A bill for an act relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program; amending Minnesota Statutes 1992, sections 116C.57, subdivision 3; 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216C.17, subdivision 2; Minnesota Statutes 1993 Supplement, sections 216B.2422, by adding a subdivision; and 216C.17, subdivision 3; repealing Minnesota Statutes 1993 Supplement, section 116C.54.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2539.

H.F. No. 2772: A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

Referred to the Committee on Governmental Operations and Reform.

H.F. No. 2200: A bill for an act relating to game and fish; preference to certain aged or disabled hunters in issuance of game refuge deer permits; amending Minnesota Statutes 1992, section 97B.055, subdivision 3; Minnesota Statutes 1993 Supplement, section 97A.091, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 2237: A bill for an act relating to game and fish; requiring informational meetings in a certain area prior to the regular goose season; directing a study of waterfowl pollution of certain waters; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 2321: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Clay and Wilkin counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2152.

H.F. No. 2311: A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivision 7; 469.188; 471.191, subdivision

2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Minnesota Statutes 1993 Supplement, section 88.04, subdivision 3; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 545, section 2; Laws 1957, chapter 213, section 1; Laws 1959, chapters 298, section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 404, section 1; 424, section 1; 573, section 1; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section 1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63, subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1961, chapters 30, section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1967, chapter 542, section 1, subdivision 3; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2391.

H.F. No. 2360: A bill for an act relating to transportation; authorizing commissioner of transportation to contract with state of Wisconsin to build and operate truck inspection station in Wisconsin.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2472.

H.F. No. 2497: A bill for an act relating to game and fish; requiring availability of 24-hour angling licenses until the end of the license year; amending Minnesota Statutes 1992, section 97A.485, subdivision 8.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2220, 2824, 2593 and 1801. The motion prevailed.

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

S.F. No. 2171: A bill for an act relating to fire and police state aid; including Indian tribal governments in definition of municipality; amending Minnesota Statutes 1992, section 69.011, subdivision 1.

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

Page 1, line 17, after the comma, insert "*and, for purposes of the fire state aid program only, an*"

Page 3, line 21, delete "*for*" and insert "*the day following final enactment and applies to fire state*" and delete "*thereafter*" and insert "*in subsequent years*"

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. 2579: A bill for an act relating to commerce; restraint of trade; providing a civil remedy for injury to business reputation or dilution of quality of a mark; providing grounds for injunctive relief; proposing coding for new law in Minnesota Statutes, chapter 325D.

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

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

S.F. No. 2738: A bill for an act relating to insurance; Medicare supplement; regulating premium rates; amending Minnesota Statutes 1993 Supplement, section 62A.31, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 62A.31, is amended by adding a subdivision to read:

Subd. 1u. [PREMIUM RATE REGULATION.] No Medicare supplement policy, contract, or certificate, including policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations and those contracts governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., may be issued or renewed to a Minnesota resident unless the premium rate charged complies with this subdivision. The premium rate must:

(1) not be used unless it has been approved by the commissioner of commerce or commissioner of health, whichever is applicable, as being in full compliance with this subdivision and other applicable state law;

(2) not be approved, unless the commissioner of commerce or commissioner of health, whichever is applicable, has determined that the rate is reasonable. In determining reasonableness, the commissioner shall consider the effect of any Medicare benefit and health care financing administrative funding changes, the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549;

(3) comply with the minimum loss ratio provided under section 62A.36, except that the loss ratio must be adjusted upward by one percent per year until July 1, 2000, as provided in section 62A.021;

(4) be approved by the commissioner of commerce or commissioner of health, whichever is applicable, as actuarially justified, based upon an actuarial review, by the commissioner's own employed or retained actuary, of the actuarial justification provided by the health carrier; and

(5) not be approved except after compliance with the following procedure:

(i) a health carrier that wishes to increase its premium rate must submit its request to the appropriate commissioner on or before November 1;

(ii) the health carrier must notify its policyholders, contract holders, enrollees, and certificate holders of the proposed increase by mail no later than November 30. The notice must provide a toll-free telephone number that may be used to call the health carrier for more information. The notice must specify the dollar amount per month or the percentage of the proposed increase and itemize the portion of the proposed increase attributable to each of the following:

(A) changes in Medicare deductibles and copays;

(B) changes in Medicare payments to the health carrier;

(C) changes in the medical care component of the consumer price index, based upon the most recent 12 month change available as of October 1, as determined by the commissioners;

(D) expense or claims experience under the plan; and

(E) other factors specified by the health carrier;

(iii) the notice must also inform the recipient of the dates, times, and locations of no fewer than five public hearings arranged jointly by the commissioners of health and commerce and must further inform the recipient that the recipient may appear at the hearing to comment on the proposed increase or may submit written comments to the appropriate commissioner. The hearings must be held in January and must be located at convenient locations throughout the state, as determined by the commissioners in their discretion. A representative of the health carrier must be present at the hearings. The rate must not be approved until after the hearings;

(iv) clause (iii) does not apply to a proposed rate increase that is attributable only to the change in item (C) in clause (ii), as determined by the commissioner. Upon receipt of a request for a rate increase, the commissioner shall determine, no later than November 15, whether the proposed increase complies with this clause. If the commissioner is in doubt, the determination shall be that it does not comply; and

(v) no rate increase shall go into effect prior to April 1, except a request that complies with clause (iv).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to any rate increase that becomes effective on or after January 1, 1995."

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

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

S.F. No. 1781: A bill for an act relating to commerce; unclaimed property; requiring funds from checks held by a county to be given to the county; amending Minnesota Statutes 1992, section 345.48.

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

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

S.F. No. 2582: A bill for an act relating to insurance; extending to contract for deed vendors the protections contained in the mortgage clause of the standard fire insurance policy; amending Minnesota Statutes 1992, section 65A.01, subdivision 3.

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

Page 7, line 24, delete "August 1, 1994" and insert "January 1, 1995"

Page 7, line 25, after "issued" insert "or renewed"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2661: A bill for an act relating to health; prohibiting certain organizational mergers or acquisitions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

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

S.F. No. 1862: A bill for an act relating to economic development; increasing the membership of the job skills partnership board; amending Minnesota Statutes 1993 Supplement, section 116L.03, subdivisions 1 and 2.

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

Page 1, line 18, after the period, insert "*At least one of the governor's appointees must be a post-secondary student at the time of appointment.*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2391: A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 103B.691, subdivision 2; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivision 7, and by adding a subdivision; 469.188; 471.191, subdivision 2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Minnesota Statutes 1993 Supplement, section 88.04, subdivision 3; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 545, section 2; Laws 1957, chapters 213, section 1; 629, section 1; Laws 1959, chapters 298, section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 542, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 404, section 1; 424, section 1; 573, section 1, as amended; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section 1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; Laws 1990, chapter 604, article 3, section 60; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63, subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1961, chapters 30,

section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21.

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

Page 25, lines 9 to 15, reinstate the stricken language

Page 32, delete section 21

Page 33, line 20, reinstate the stricken "not to exceed"

Page 33, line 21, before "on" insert ".00605 percent of market value"

Page 33, line 36, strike "of not more than" and delete the new language

Page 34, line 1, delete the new language

Page 34, line 11, strike "of not more than"

Page 34, line 12, delete the new language

Page 35, line 34, strike "of not more than"

Page 35, line 35, delete the new language

Page 37, line 3, strike "not greater than" and delete the new language

Page 37, line 4, delete "market value" and strike "per year"

Page 37, line 9, before "Laws 1982" insert "Laws 1967, chapter 542, section 1, subdivision 3;"

Page 37, line 15, delete "38" and insert "37"

Renumber the sections of article 6 in sequence

Page 37, delete section 1

Page 38, delete section 3

Page 40, line 9, reinstate the stricken "not exceeding" and before "on" insert ".04031 percent of market value per year"

Pages 40 and 41, delete section 9

Page 47, line 11, delete "0.04836" and insert "0.04835"

Page 47, line 21, strike "two mills on the"

Page 47, line 22, strike "assessed valuation of" and insert "0.04835 percent of market value on"

Pages 51 and 52, delete section 38

Page 52, line 12, delete "39" and insert "35"

Page 52, line 13, delete everything after "thereafter" and insert a period

Page 52, delete lines 14 to 16

Renumber the sections of article 7 in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "103B.691, subdivision 2;"

Page 1, lines 14 and 15, delete ", and by adding a subdivision"

Page 1, line 24, delete "chapters" and insert "chapter"

Page 1, line 25, delete "629, section 1;"

Page 1, lines 36 and 37, delete "542, section 1, subdivision 3;"

Page 2, lines 8 and 9, delete "Laws 1990, chapter 604, article 3, section 60;"

Page 2, line 15, after the second semicolon, insert "Laws 1967, chapter 542, section 1, subdivision 3;"

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

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

S.F. No. 2496: A bill for an act relating to licensing; directing an expansion of the operations of the bureau of business licenses and of the master application procedure.

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

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

S.F. No. 2220: A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; 103I.235, subdivision 1; 103I.331, subdivision 6; and 103I.401, subdivision 1; Minnesota Statutes 1993 Supplement, sections 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2104: A bill for an act relating to children; establishing an abused child program under the commissioner of corrections; creating an advisory committee; specifying powers and duties of the commissioner and the advisory committee; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Page 3, line 33, delete everything after the period

Page 3, line 34, delete "*expire.*"

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

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

S.F. No. 2332: A bill for an act relating to retirement; public employees retirement association; permitting purchase of service credit by certain soil and water conservation district employees.

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

Page 1, line 10, before "*who*" insert "*or a member of the general state employees retirement plan of the Minnesota state retirement system*"

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. 1872: A bill for an act relating to elevators; regulating persons who construct and repair elevators; requiring inspections; creating an advisory committee; setting minimum code standards; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than two persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and must possess an elevator constructor or master elevator constructor license issued by the state board of electricity.

Sec. 2. Minnesota Statutes 1992, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, *remove*, or repair an elevator that does not meet the minimum requirements of ~~this chapter, adopted sections 183.351 to 183.358,~~ rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1992, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, *perform alterations, remove*, or install an elevator without ~~first filing an application for obtaining a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department.~~ Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1992, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ *shall* by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1992, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ *shall* adopt rules for the following purposes:

(1) to set a fee under section ~~16A.128~~ *16A.1285* for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~16A.128~~ *16A.1285* to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction mechanic examination~~ *industry education program* or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers,

and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 5 is effective the day following its final enactment."

Delete the title and insert:

"A bill for an act relating to elevators; regulating persons who may do elevator work; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357, subdivisions 1 and 2; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183."

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

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

S.F. No. 1909: A bill for an act relating to pollution; requiring that cities and counties adopt ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115.

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

Delete everything after the enacting clause and insert:

"Section 1. [115.55] [INDIVIDUAL SEWAGE TREATMENT SYSTEMS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section and section 2.

(b) "City" means a statutory or home rule charter city.

(c) "Commissioner" means the commissioner of the pollution control agency.

(d) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(e) "Individual sewage treatment system" or "system" means a sewage treatment system, or part thereof, serving a dwelling, other establishment, or group thereof, that uses subsurface soil treatment and disposal.

(f) "Individual sewage treatment system professional" means an inspector, installer, site evaluator or designer, or pumper.

(g) "Individual sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems.

(h) "Inspector" means a person who inspects individual sewage treatment systems for compliance with rules of the agency or with local government ordinances under subdivision 2.

(i) "Installer" means a person who constructs or repairs individual sewage treatment systems.

(j) "Pumper" means a person who maintains components of individual sewage treatment systems including, but not limited to, septic, aerobic, and holding tanks.

(k) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

(l) "Site evaluator or designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs individual sewage treatment systems.

Subd. 2. [INSPECTION.] (a) After December 31, 1995, a county, city, or town may not issue a building permit or variance for new construction or for the addition of a bedroom or bathroom on property served by an individual sewage treatment system unless the system is in compliance with the individual sewage treatment system rules, as evidenced by a certificate of compliance issued by a licensed inspector or site evaluator or designer.

(b) If the system is not in compliance with the rules, the inspector or site evaluator or designer must issue a notice of noncompliance to the property owner and must provide a copy of the notice to the city, town, or county to which application for the building permit or variance was made. If the inspector or site evaluator or designer finds that the system presents an imminent threat to public health or safety, the inspector or site evaluator or designer must include a statement to this effect in the notice and the property owner must upgrade, replace, or discontinue use of the system within ten months of receipt of the notice.

Subd. 3. [DISCLOSURE OF INDIVIDUAL SEWAGE TREATMENT SYSTEM TO BUYER.] After August 31, 1994, before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of individual sewage treatment systems on the property or serving the property. The disclosure must be made by delivering to the buyer either a statement by the seller that there is no individual sewage treatment system on or serving the property or a disclosure statement describing the system and indicating the legal description of the property, the county in which the property is located, and a map drawn from available information showing the location of the system on the property to the extent practicable. In the disclosure statement the seller must indicate whether the individual sewage treatment system is in use and, to the seller's knowledge, in compliance with applicable sewage treatment laws and rules. Unless the buyer and seller agree to the contrary in writing before the closing of the sale, a seller who fails to disclose the existence or known status of an individual sewage treatment system at the time of sale, and who knew of the existence or known status of the system, is liable to the buyer for costs relating to bringing the system into compliance with the individual sewage treatment system rules and for reasonable attorney fees for collection of costs from the seller. An action under this subdivision must be commenced within two years after the date on which the buyer closed the purchase of the real property where the system is located.

Subd. 4. [LOCAL ORDINANCE MAY BE MORE RESTRICTIVE.] (a) A county, city, or town may adopt and enforce ordinances or rules affecting individual sewage treatment systems that are more restrictive than the agency's individual sewage treatment system rules.

(b) If standards are adopted that are more restrictive than the agency's rules, the county, city, or town must submit the more restrictive standards to the commissioner along with an explanation of the more restrictive provisions.

Sec. 2. [115.56] [MANDATORY LICENSING PROGRAM.]

Subdivision 1. [RULES.] (a) Pursuant to section 115.03, subdivision 1, by January 1, 1996, the agency shall adopt rules containing standards of licensure applicable to all individual sewage treatment system professionals.

The rules must include but are not limited to:

(1) training requirements that include both classroom and fieldwork components;

(2) examination content requirements and testing procedures;

(3) continuing education requirements;

(4) equivalent experience provisions;

(5) bonding and insurance requirements;

(6) schedules for submitting fees; and

(7) license revocation and suspension and other enforcement requirements.

(b) The agency shall consult with the advisory committee on individual sewage treatment systems created under Minnesota Rules, part 7080.0100, before proposing any rules.

Subd. 2. [COMMISSIONER TO ISSUE LICENSES.] The commissioner shall license all individual sewage treatment system professionals.

Subd. 3. [LICENSE REQUIRED.] (a) Except as provided in paragraph (b), after March 31, 1996, a person may not design, install, maintain, pump, or inspect an individual sewage treatment system without a license issued by the commissioner.

(b) A license is not required for a person who complies with the individual sewage treatment system rules if the person is:

(1) a qualified employee of state or local government who has passed the examination described in paragraph (d) or a similar examination;

(2) an individual who constructs an individual sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling; or

(3) an individual who performs labor or services for a person licensed under this section in connection with the design, installation, maintenance, pumping, or inspection of an individual sewage treatment system at the direction and under the personal supervision of a person licensed under this section.

An individual sewage treatment system constructed under clause (2) must

be inspected during and after construction and a compliance report must be provided to the city or county after each inspection.

(c) The commissioner, in conjunction with the University of Minnesota extension service or another higher education institution, shall ensure adequate training exists for individual sewage treatment system professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for licensing and shall issue documentation of licensing.

(e) Licenses may be issued only upon successful completion of the required examination and submission of proof of sufficient experience, proof of general liability insurance, and a performance bond in the amount of at least \$10,000.

(f) Notwithstanding paragraph (e), the examination and proof of experience are not required for an individual sewage treatment system professional who, on the effective date of the rules adopted under subdivision 1, holds a certification attained by examination and experience under a voluntary certification program administered by the agency.

(g) Counties, cities, and towns may not require additional local licenses for individual sewage treatment system professionals.

Subd. 4. [ENFORCEMENT.] (a) The commissioner may deny, suspend, or revoke a license, or use any lesser remedy against an individual sewage treatment system professional, for any of the following reasons:

(1) failure to meet the requirements for a license;

(2) incompetence, negligence, or inappropriate conduct in the performance of the duties of an individual sewage treatment system professional; or

(3) submission of false or misleading information or credentials in order to obtain or renew a license.

(b) Upon receiving a signed written complaint that alleges the existence of a ground for enforcement action against a person under paragraph (a), the commissioner shall initiate an investigation. Revocation, suspension, or other enforcement action may not be taken before written notice is given to the person and an opportunity is provided for a contested case hearing complying with the provisions of chapter 14.

Subd. 5. [LICENSE FEE.] The fee for a license issued under subdivision 2 is \$100 per year. Revenue from the fees must be credited to the environmental fund.

Sec. 3. [APPROPRIATION; REIMBURSEMENT.]

(a) \$120,000 is appropriated from the general fund to the commissioner of the pollution control agency for the purposes of sections 1 and 2 to be available for the biennium ending June 30, 1995.

(b) Amounts spent by the commissioner of the pollution control agency from the appropriation in paragraph (a) must be reimbursed to the general fund no later than June 30, 1997. The amount necessary to make the reimbursement is appropriated from the environmental fund to the commissioner of finance for transfer to the general fund.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to pollution; prohibiting issuance of certain building permits unless pollution control agency rules regarding individual sewage treatment systems are complied with; requiring disclosure by sellers of property of the existence and status of individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; setting a fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115."

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

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

S.F. No. 2054: A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; amending Minnesota Statutes 1992, section 116P.09, subdivision 4; Laws 1993, chapter 172, section 14, subdivisions 4, 11, and 12.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1992, section 116P.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

(c) It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) *The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the Minnesota resources fund and from oil overcharge money under section 4.071, subdivision 2.*

(e) The commission may adopt operating procedures to fulfill its duties under sections 116P.01 to 116P.13.

Sec. 2. Minnesota Statutes 1992, section 116P.08, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes, and an explanation of the need for the

research. All research proposals must be reviewed by a peer review panel before receiving an appropriation ~~from the trust fund~~.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any; *and*

(3) ~~comment on whether the research proposed meets the categories of subdivision 1; and~~

(4) report to the commission and advisory committee on clauses (1) to (3) *and* (2).

(c) The peer review panel also must review completed research proposals that have received an appropriation ~~from the trust fund~~ and comment and report upon whether the project reached the intended goals.

Sec. 3. Minnesota Statutes 1992, section 116P.08, subdivision 7, is amended to read:

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five ~~but not more than 11~~ members who are knowledgeable in general research methods, ~~including but not limited to in the areas of air quality research, water research, forest research, fish and wildlife management research, environmental health research, and soil conservation research environment and natural resources.~~ Not more than two members of the panel may be employees of state agencies *in this state*.

(b) ~~Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059. The commission may select additional temporary members for any research proposal deemed to be too technical for adequate peer review by the panel in paragraph (a). Members of the peer review panel The commission shall elect select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.~~

Page 1, after line 20, insert:

"Sec. 5. Minnesota Statutes 1993 Supplement, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the ~~interest~~ earnings generated from the trust fund. ~~Interest~~ Earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it shall be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from the gains in paragraph (a) apportioned to that fiscal year. If such gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects ~~through~~ until fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993;

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1996.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund."

Page 2, line 53, delete "This"

Page 2, delete lines 54 and 55

Page 4, line 28, delete "authorization" and insert "appropriation"

Page 4, delete line 29

Page 4, line 30, delete "enactment and is".

Pages 5 to 8, delete section 4 and insert:

"Sec. 8. [APPROPRIATION.]

\$300,000 is appropriated from the future resources fund to the commissioner of natural resources for the restoration of the Niemackl watershed by improvement of water quality, flood reduction, fish and wildlife habitat, and recreation through citizen participation with federal, state, and local governments, and nongovernment agencies. \$150,000 is contingent on a match of \$300,000 of nonstate funds by October 1, 1994.

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "peer review panel; availability of money in environmental trust fund; appropriating money;"

Page 1, line 5, delete "section" and insert "sections 116P.05, subdivision 2;

116P.08, subdivisions 6 and 7;" and after "4;" insert "Minnesota Statutes 1993 Supplement, section 116P.11;"

Page 1, line 6, delete ", 11, and 12" and insert "and 11"

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

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

S.F. No. 2153: A bill for an act relating to transportation; establishing a high speed bus service pilot project; appropriating money; authorizing bonds to be sold; amending Minnesota Statutes 1992, section 473.39, by adding a subdivision.

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

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

S.F. No. 1679: A bill for an act relating to highways; designating trunk highway marked No. 212 as the Minnesota Veterans Memorial Highway; amending Minnesota Statutes 1992, section 161.14, by adding a subdivision.

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

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

S.F. No. 348: A bill for an act relating to highways; prohibiting improvement, expansion, or reconstruction of highway 280 until the environmental review process is complete; requiring the metropolitan council to complete the environmental impact statement for reconstruction of highway 280; providing for allocation of costs; prohibiting variances from state noise standards.

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

Delete everything after the enacting clause and insert:

"Section 1. [TRUNK HIGHWAY NO. 280; NOISE BARRIERS.]

Subdivision 1. [DEFINITION.] For purposes of this section "trunk highway No. 280 project" means a department of transportation highway improvement project on marked trunk highway No. 280 that would improve, expand, or reconstruct the highway.

Subd. 2. [REQUIREMENT.] If the commissioner of transportation takes any action between the effective date of this act and June 30, 1997, that would have the effect of delaying the start of the trunk highway No. 280 project beyond June 30, 1997, the commissioner shall, within 12 months after taking that action, erect noise barriers on the highway between interstate highways marked 94 and 35-W as provided in the noise barrier component of the project.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to highways; requiring accelerated construction of noise barriers on marked trunk highway No. 280 if the reconstruction of that highway is delayed beyond fiscal year 1997."

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. 2824: A bill for an act relating to ethanol; increasing the cap on ethanol development payments to ethanol producers; extending expiration of payments for ethanol development; increasing minimum oxygen content of gasoline; eliminating tax credit for agricultural alcohol gasoline; amending Minnesota Statutes 1992, sections 41A.09, subdivision 5; and 296.02, subdivision 7; Minnesota Statutes 1993 Supplement, section 41A.09, subdivision 3; and 239.791, subdivision 1.

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

Page 2, line 27, strike "1993" and insert "1994"

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

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

S.F. No. 2618: A bill for an act relating to motor vehicle registration; exempting unmarked police vehicles from registration requirements; amending Minnesota Statutes 1992, section 168.012, subdivision 1.

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

Page 2, line 6, delete "general" and after "police" insert, " and fire" and after "work" insert "and arson investigations"

Page 2, line 10, strike "arson investigations,"

Amend the title as follows:

Page 1, line 2, after "police" insert "and fire"

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

S.F. No. 2471: A bill for an act relating to highways; changing highway description; amending Minnesota Statutes 1992, section 161.115, subdivision 224.

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

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

S.F. No. 2556: A bill for an act relating to transportation; increasing money set aside from the county state-aid highway and municipal state-aid street funds to the disaster accounts and research accounts; changing composition of disaster account boards; providing that remaining money from research accounts lapse to the appropriate funds after two years; amending Minnesota Statutes 1992, sections 162.06, subdivisions 3 and 4; and 162.12, subdivisions 3 and 4.

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

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

S.F. No. 2503: A bill for an act relating to highways; conforming powers held by counties over county highways to those powers held by counties over county state-aid highways; amending Minnesota Statutes 1992, section 163.11, subdivision 3.

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

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

S.F. No. 2097: A bill for an act relating to transportation; modifying distribution of money in transit assistance fund; establishing annual gasoline excise tax rate adjustment; modifying amounts of motor vehicle excise tax money transferred to transit assistance fund; appropriating money; amending Minnesota Statutes 1992, sections 296.02, by adding a subdivision; and 297B.09, subdivision 1; Minnesota Statutes 1993 Supplement, section 174.32, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION APPROPRIATIONS.]

The sums in the column headed “APPROPRIATIONS” are appropriated from the trunk highway fund, or another named fund, to the commissioner of transportation, or another named agency, to construct, improve, and maintain public highways, for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, and for other purposes as specified in this act. Except as otherwise provided, the appropriations in this act are available until expended.

SUMMARY

Transit Assistance Fund	\$, , , , , 000
Trunk Highway Fund	, , , , , 000
Transportation Fund	, , , , , 000

APPROPRIATIONS

\$

Sec. 2. TRANSPORTATION

Subdivision 1. Transportation Operations

(a) Greater Minnesota Transit	, , , , , 000
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This appropriation is from the transit assistance fund.

(b) Transit Administration	, , , , 000
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This appropriation is from the transit assistance fund.

(c) Electric Vehicle Technology Study	200,000
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This appropriation is to study electric vehicle technology and to pay for the costs, not to exceed ten percent of this appropriation, of the office of transit of the department of transportation to oversee the project. The commissioner shall disburse money from this appropriation on a two-for-one matching basis, seeking federal funding as well as local matching money.

The commissioner of transportation shall study, evaluate, and test road powered electric vehicle (RPEV) technology under the Saints Road Project in St. Cloud, Minnesota, in coordination with the St. Cloud Area Metropolitan Transit Commission. The commissioner shall make findings and recommendations specifically discussing: RPEV enhancement to and cost comparisons for electric trolley bus applications, particularly regarding light rail transit; RPEV application as an intermodal system at the Minneapolis-St. Paul airport to replace the diesel truck passenger carrier operating between the terminal and car rental agencies; snow and ice removal testing and evaluation; and safety testing of the RPEV technology under consideration at the Saints Road Project.

(d) High Speed Rail Corridor Study

730,000

The commissioner of transportation shall initiate a phase-II feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois along the southern corridor identified in the tri-state study of high-speed rail service. The commissioner shall seek federal matching funds and contributions from nonpublic sources to finance the study. The commissioner may enter into agreements with the states of Wisconsin and Illinois to cooperate in financing and performing the study.

This appropriation is contingent upon the state of Wisconsin paying \$500,000 and receipt of federal matching money for the study.

The study outline must be agreed upon by the participating states and federal government and must include:

- (1) collection of original and comprehensive origin-destination data;
- (2) a comprehensive assessment of alternative technologies;
- (3) engineering and environmental analysis, including route evaluations within the corridor, crossings, infrastructure needs, intermodal connections, and potential station locations;
- (4) comprehensive financial and economic analysis;
- (5) analysis of potential public-private partnerships; and
- (6) an implementation plan and program for design and construction of a high-speed rail system.

(e) Local Roads

County State Aids

This appropriation is from the county state-aid highway fund.

Municipal State Aids

This appropriation is from the municipal state-aid street fund.

(f) State Road Construction

... ,000,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, paragraph (a). The commissioner shall spend \$50 million of this appropriation in construction year 1994.

(g) Highway Program Delivery

.....,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 8.

\$.....,000 is for design engineering.

\$.....,000 is for construction engineering.

\$..... is for field operations.

The commissioner of transportation shall spend \$1,000,000 of money previously appropriated toward the completion of an environmental impact statement for the Wakota bridge on Interstate Highway marked No. 494, in Dakota and Washington counties.

(h) State Road Operation

.....,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 8.

Subd. 2. Bloomington Ferry Bridge

7,631,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds to complete construction of the Bloomington ferry bridge and approaches.

This appropriation is added to the appropriation in Laws 1993, chapter 373, section 14, subdivision 2.

Subd. 3. Local Bridge Replacement and Rehabilitation

15,000,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

(1) matching federal-aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

Subd. 4. Federal Aid Demonstration Projects

3,924,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to fund the non-federal matching requirement for demonstration and interstate substitution projects of Forest Highway 11 in St. Louis and Lake counties, and County State-Aid Highway 41 in Nicollet county and one-half of the nonfederal matching requirement for the interstate substitution project in Duluth.

Use of this appropriation is contingent upon the balance of the nonfederal matching money being provided by the local units of government.

Subd. 5. Highway Rest Area

150,000

To the commissioner of transportation to remodel the old Burlington Northern train depot at Floodwood into a safety information center and rest area and to phase out the wayside rest at trunk highways 2 and 73.

After completion of the project, the commissioner of transportation shall convey the newly remodeled rest area for no or nominal consideration to the city of Floodwood, which thereafter shall operate and maintain it.

Subd. 6. Trunk Highway Facility Projects	12,866,000
To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.	
(a) Installation of automatic fire sprinkler systems at maintenance headquarters in Virginia, Owatonna, and Windom	365,000
(b) Repair, replace, or construct chemical and salt storage buildings at 36 department of transportation locations statewide	1,030,000
(c) Construct, furnish, and equip a truck enforcement site and weigh scale in the Albert Lea area to replace the Lakeville site	886,000
(d) Construct, furnish, and equip a truck station and maintenance facility in Hutchinson on a new site to replace the current facility. This project shall be exempt from Minnesota Statutes, section 16B.33, requirements relating to the selection of a consultant by the state designer selection board, provided that it proceeds as a joint agency project	897,000
(e) Construct, furnish, and equip a new truck station on Maryland Avenue in St. Paul to replace the current facility	5,440,000
(f) Construct an addition to the Detroit Lakes welding shop	355,000
(g) Remodel facilities and construct additions to truck stations in Ely, Montgomery, and Forest Lake	302,000
(h) Purchase, remodel, and expand the Minnesota National Guard truck maintenance facility in Tracy to fit the needs of a department of transportation truck station	359,000
(i) Build an unheated equipment storage building at the Golden Valley headquarters site	435,000
(j) Construct, furnish, and equip a truck station in Wadena on a new site to replace the current facility	527,000
(k) Remodel facility and construct an addition to the Preston truck station	174,000
(l) Construct, furnish, and equip class II safety rest areas in Darwin Winter park,	

Preston/Fountain vicinity, Pioneer monument, Camp Release historic monument, and Lake Shetek

200,000

(m) Land acquisition for new replacement truck station sites at Illgen City, Rushford, Gaylord, Madelia, Sherburne, and Litchfield

250,000

(n) Design fees to complete construction drawings for projects at Windom, Maplewood, Hastings, central services building, Arden Hills training center, and Albert Lea weigh scale

371,000

(o) Construct pole type storage buildings at department of transportation locations throughout the state

611,000

(p) Remove asbestos from various department of transportation buildings statewide

150,000

(q) Remodel facility and construct an addition to the Carlton truck station

259,000

(r) Remodel facility and construct an addition to the Sauk Centre truck station

255,000

The commissioner may use the balance of funds appropriated by Laws 1985, First Special Session chapter 15, section 9, subdivision 6, paragraph (c), for land acquisition for a weigh station on Interstate Highway 94 at Moorhead to supplement funds appropriated by Laws 1989, chapter 269, section 2, subdivision 11, paragraph (d), for construction of the Moorhead weigh station.

Sec. 3. REGIONAL TRANSIT BOARD

19,000,000

This appropriation is from the transit assistance fund and is added to the appropriation in Laws 1993, chapter 266, section 3.

\$...000,000 is for regular route transit.

\$...000,000 is for metro mobility.

Sec. 4. [BOND SALE AUTHORIZATION.]

Subdivision 1. [TRANSPORTATION FUND.] To provide the money appropriated in section 2 from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$37,320,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675; and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the

bonds, must be credited to a bond proceeds account in the state transportation fund.

Subd. 2. [TRUNK HIGHWAY FUND.] To provide a portion of the money appropriated in section 2 from the trunk highway fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$50,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 5. [PROJECT CANCELLATIONS.]

The commissioner of finance, after consultation with the commissioner of transportation, shall cancel appropriations for capital improvement projects that have been completed and shall recommend to the legislature for action at the 1995 session the cancellation of any excess bond authorizations for projects that have been completed or abandoned.

Sec. 6. Minnesota Statutes 1993 Supplement, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] The transit assistance fund receives money distributed under section 297B.09. ~~Eighty percent of~~ As appropriated from time to time by law, the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and ~~20 percent~~ into a separate account for distribution to recipients located outside of the metropolitan area. *Money not so appropriated cancels to the general fund.* Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account.

Sec. 7. Minnesota Statutes 1992, section 296.02, is amended by adding a subdivision to read:

Subd. 1c. [ANNUAL GASOLINE TAX RATE ADJUSTMENT.] *Beginning in 1994 and annually thereafter, before June 1, 1994, and before April 1 of each following year, the commissioner of revenue shall adjust the rate of the gasoline excise tax. The new rate per gallon must be calculated as follows:*

(a) The new rate shall be calculated by multiplying the rate in effect at the time of the calculation, after any adjustment under paragraph (c), by an amount obtained by multiplying the amount under paragraph (b). The new rate must be rounded to the nearest 0.1 cent and is effective on June 1, 1994, and April 1 of each following year, and applies to gasoline and special fuel in distributor storage on the effective date.

(b) For purposes of calculating the rate:

(1) to be effective June 1, 1994, divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the year 1993 by that annual average for the year 1988; or

(2) to be effective April 1, 1995, and each following year, divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year by that annual average for the year before the previous year.

(c) *If in any year the percentage of motor vehicle excise tax proceeds specified to be transferred to the transit assistance fund under Minnesota Statutes, section 297B.09, subdivision 1, is reduced or the transfer of motor vehicle excise tax proceeds to the transit assistance fund is eliminated, the increase in the gasoline excise tax rate effective June 1, 1994, must be adjusted by a corresponding percentage reduction or eliminated.*

(d) *Beginning in 1995, and annually thereafter, the new rate proposed by this subdivision must not exceed the rate in effect the previous year by more than one cent. If the increase calculated in any year is greater than one cent, the amount in excess of one cent shall be added to the rate calculated in the following year.*

Sec. 8. Minnesota Statutes 1992, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

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

(c) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the

appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

Sec. 9. Laws 1993, chapter 373, section 25, subdivision 5, is amended to read:

Subd. 5. [DULUTH PORT DREDGING AND DEVELOPMENT.] With the mutual consent by July 1, 1993, of the commissioner of trade and economic development, the seaway port authority of Duluth, the U.S. Army Corps of Engineers, and any private parties who have pledged private investment to match the \$6,100,000 appropriated in Laws 1989, chapter 300, article 1, section 19, item (a), to dredge the upper harbor area of Duluth harbor, the commissioner of finance shall reduce the appropriation to \$2,000,000. The appropriation is available to the extent it is matched, dollar for dollar, by federal money. No private match is required. If the appropriation is reduced to \$2,000,000, then \$1,550,000 is reappropriated as provided in sections 12 and 13. The bond sale authorization in Laws 1989, chapter 300, article 1, section 23, subdivision 1, is reduced by \$2,550,000.

Upon the seaway port authority of Duluth and the U.S. Army Corps of Engineers advising the commissioner of trade and economic development that no further state of Minnesota funds will be required for the upper harbor cross-channel dredging project, and the consent of the seaway port authority of Duluth that upper river deepening will terminate at the Erie Pier site, the commissioner is authorized to disburse the balance of the funds remaining, up to \$1,200,000, as a grant to the seaway port authority of Duluth for development of a down-river bulk cargo handling alternative to succeed and replace the upper river deepening project for bulk cargo whereby the seaway port authority of Duluth will demolish an existing abandoned grain elevator facility owned by the seaway port authority of Duluth and prepare the site for the handling, storage, care, and shipment of bulk cargo or other waterborne freight.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; establishing annual gasoline excise tax rate adjustment; increasing the transfer of motor vehicle excise tax receipts to the transit assistance fund; providing for distribution of money from the transit assistance fund; requiring study of electric vehicle transportation technology; requiring high-speed rail study; requiring action on environmental impact statement for Wakota Bridge; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1992, sections 296.02, by adding a subdivision; and 297B.09, subdivision 1; Minnesota Statutes 1993 Supplement, section 174.32, subdivision 2; Laws 1993, chapter 373, section 25, subdivision 5."

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

H.F. No. 2210 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.
		2210		1791	

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. 2435 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.
		2435		2607	

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. 2646 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.
2646		2283			

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. 2080 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.
2080	1975				

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. 1936 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.
1936	1915				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1936 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1936 and insert the language after the enacting clause of S.F. No. 1915, the first engrossment; further, delete the title of H.F. No. 1936 and insert the title of S.F. No. 1915, the first engrossment.

And when so amended H.F. No. 1936 will be identical to S.F. No. 1915, and further recommends that H.F. No. 1936 be given its second reading and substituted for S.F. No. 1915, 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2062: A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

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

Page 1, line 10, after "sell" insert "by private sale"

Page 1, line 20, delete "to Bill O'Connor"

Page 2, line 1, after "sell" insert "by private sale"

Page 2, line 11, delete "Bill"

Page 2, line 12, delete "O'Connor to"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2520: A bill for an act relating to the environment; providing for evaluation of motor vehicle salvage facilities by the pollution control agency; providing for a report to the legislature; reallocating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 3, delete lines 2 to 5 and insert:

"Of the amount appropriated from the environmental fund in Laws 1993, chapter 172, section 2, subdivision 4, \$494,000 may be used for the purposes of sections 1 and 2."

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

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

S.F. No. 2305: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Aitkin county.

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

Page 1, lines 17 and 21, before the semicolon, insert "to be combined and sold as one lot"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2004: A bill for an act relating to the city of Two Harbors; permitting the use of the lodging tax for additional purposes.

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

Delete everything after the enacting clause and insert:

"Section 1. [TWO HARBORS LODGING TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a tax authorized in Minnesota Statutes, section 469.190, the city of Two Harbors may impose, by ordinance, a tax of up to one percent on the

gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. The proceeds of the tax shall be dedicated and used to provide preservation, display, and interpretation of the tug boat Edna G. The total tax imposed by the city under this section and under Minnesota Statutes, section 469.190, shall not exceed three percent.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to the city of Two Harbors; permitting an additional lodging tax."

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

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

S.F. No. 2431: A bill for an act relating to the county attorney; modifying administrative subpoena requirements; amending Minnesota Statutes 1993 Supplement, section 388.23, subdivision 1.

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

Page 2, line 12, delete the new language

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2267: A bill for an act relating to real estate; authorizing title insurance companies governed by chapter 68A, or their appointed agents to execute certificates of release of mortgages; proposing coding for new law in Minnesota Statutes, chapter 507.

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

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

S.F. No. 2422: A bill for an act relating to burial grounds; modifying provisions for enforcement of certain civil actions; amending Minnesota Statutes 1993 Supplement, section 307.082.

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

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

S.F. No. 2642: A bill for an act relating to witnesses; establishing a privilege

for certain communications made to licensed social workers; amending Minnesota Statutes 1993 Supplement, section 595.02, subdivision 1.

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

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

S.F. No. 1825: A bill for an act relating to manufactured homes; restricting the venue for repossession actions to the county in which the manufactured home is located; making technical changes; amending Minnesota Statutes 1992, sections 327.63, subdivision 1; 327.64, subdivision 2; and 327.65.

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

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

S.F. No. 2031: A bill for an act relating to civil actions; authorizing enforcement of commitments for debts related to lawful gambling activities; amending Minnesota Statutes 1992, section 541.21.

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

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

S.F. No. 2641: A bill for an act relating to health; MinnesotaCare; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4a. [EVALUATION OF PATIENT SATISFACTION SURVEY INSTRUMENTS.] The commissioner, in consultation with the data institute, shall develop a mechanism for collecting comparative data on patient satisfaction through adoption of a standard patient satisfaction survey. This survey shall include patients in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. The commissioner shall determine a mechanism for the inclusion of the uninsured. Health plan companies and group purchasers shall provide enrollment information, including the names, addresses, and telephone numbers of enrollees and former enrollees and other data necessary for the completion of this study to the commissioner. This enrollment information provided by health plan companies and group

purchasers shall be classified as private data on individuals as defined in section 13.02, subdivision 12. The commissioner may make a grant to the data institute to assist in funding the administration of the patient satisfaction survey. The data institute shall provide raw unaggregated data to the data analysis unit for analysis and development of reports. The raw unaggregated data shall be classified as private data on individuals as defined in section 13.02, subdivision 12. Findings from this survey shall be included in the health plan company report cards, and in other reports developed by the data analysis unit, to be disseminated by the information clearinghouse. The survey may include information on the following subjects:

- (1) patients' overall satisfaction with their health care plan;*
- (2) patients' perception of access to emergency, urgent, routine, and preventive care, including locations, hours, waiting times, and access to care when needed;*
- (3) premiums and costs;*
- (4) technical competence of providers;*
- (5) communication, courtesy, respect, reassurance, and support;*
- (6) choice and continuity of providers;*
- (7) continuity of care;*
- (8) outcomes of care;*
- (9) services offered by the plan, including range of services, coverage for preventive and routine services, and coverage for illness and hospitalization;*
- (10) availability of information; and*
- (11) paperwork.*

Sec. 2. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4b. [QUALITY REPORT CARDS.] *Each health plan company shall report annually by April 1 to the commissioner specific quality indicators, in the form specified by the commissioner in consultation with the data institute. The quality indicators must be reported using standard definitions and measurement processes as specified by the commissioner. Wherever possible, the commissioner's specifications must be consistent with those outlined in the health plan employer data and information set (HEDIS 2.0). The commissioner, in consultation with the data institute, may modify the quality indicators to be reported to incorporate improvements in quality measurement tools. When HEDIS 2.0 indicators or health care financing administration approved quality indicators for medical assistance and Medicare are used, the commissioner is exempt from rulemaking. For additions or modifications to the HEDIS indicators or if other quality indicators are added, the commissioner shall proceed through rulemaking pursuant to chapter 14. The data analysis unit shall develop quality report cards, and these report cards shall be disseminated through the information clearinghouse. Data shall be collected by county and high-risk and special needs populations as well as by health plan but shall not be reported. The commissioner, in consultation with the data institute and counties, shall report to the legislature by December 15,*

1994, on recommendations on how this collected data can be reported in a manner that addresses the privacy interests of individuals."

Page 2, line 15, after "hospitals;" insert "claims clearinghouses; third-party administrators; billing service bureaus; value added networks;"

Page 6, line 14, before "On" insert "(a)"

Page 6, after line 18, insert:

"(b) The instructions and definitions for the use of the uniform claim form shall be in accordance with instructions specified by the commissioner of health."

Page 6, line 32, delete "July" and insert "January"

Page 7, lines 11 and 27, delete "July 1, 1995" and insert "January 1, 1996"

Page 7, delete lines 15 to 18 and insert:

"(b) The unique identification number (UPIN) assigned by the health care financing administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a unique identification number shall request one from the health care financing administration."

Page 7, delete lines 23 to 25

Page 8, line 18, before "Following" insert "Except as provided in paragraph (d),"

Page 8, line 28, after the period, insert "This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers. Group purchasers and health care providers shall establish procedures to notify patients that they can elect not to have the social security number used as the unique patient identification number."

Page 9, line 1, delete "encrypted" and insert "unencrypted"

Page 9, line 3, after the period, insert "The encryption algorithm and hardware used must not use clipper chip technology."

Page 10, line 13, after "standards" insert "or new versions of existing standards"

Page 14, line 24, delete "or" and insert "and/or" in both places

Page 14, line 25, delete "or" and insert "and/or"

Page 15, line 12, after the period, insert "The description shall include the health plan company name and the plan or product name."

Page 15, line 13, delete "and"

Page 15, line 17, before the period, insert "; and"

(8) Provider/clinic name, which is the name of the primary care clinic the cardholder is assigned to by the health plan company. The standard label for this field is "PCP." This information is mandatory only if the health plan company assigns a specific primary care provider to the cardholder"

Page 15, line 30, after "eligibility" insert "and benefit"

Page 15, line 32, delete "and" and insert "or"

Page 15, after line 33, insert:

"(c) The following human readable data elements are mandatory on the back side of the card for health maintenance organizations and integrated service networks:

(1) Emergency care authorization telephone number or instruction on how to receive authorization for emergency care. There is no standard label required for this information; and

(2) Telephone number to call to appeal to the commissioner of health. There is no standard label required for this information."

Page 15, line 34, delete "(c)" and insert "(d)"

Page 15, line 35, delete "paragraph" and insert "paragraphs" and delete "or (b)" and insert "to (c)"

Page 16, line 9, delete "60J.50 to 60J.61" and insert "62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59"

Page 16, line 16, after the period, insert *"The commissioner shall not promulgate any rules requiring patients to provide their social security numbers unless and until federal laws are modified to allow or require such action nor shall the commissioner promulgate rules which allow medical records, claims, or other treatment or clinical data to be included on the health care identification card, except as specifically provided in this chapter."*

Page 16, after line 16, insert:

"Sec. 15. [317A.022] [ELECTION BY CERTAIN CHAPTER 318 ASSOCIATIONS.]

Subdivision 1. [GENERAL.] An association described in section 318.02, subdivision 5, may elect to cease to be an association subject to and governed by chapter 318 and to become subject to and governed by this chapter in the same manner and to the extent provided in this chapter as though it were a nonprofit corporation by complying with this section.

Subd. 2. [AMENDED TITLE AND OTHER CONFORMING AMENDMENTS.] The declaration of trust, as defined in section 318.02, subdivision 1, of the association must be amended to identify it as the "articles of an association electing to be treated as a nonprofit corporation." All references in this chapter to "articles" or "articles of incorporation" include the declaration of trust of an electing association. If the declaration of trust includes a provision prohibited by this chapter for inclusion in articles of incorporation, omits a provision required by this chapter to be included in articles of incorporation, or is inconsistent with this chapter, the electing association shall amend its declaration of trust to conform to the requirements of this chapter. The appropriate provisions of the association's declaration of trust or bylaws or chapter 318 control the manner of adoption of the amendments required by this subdivision.

Subd. 3. [METHOD OF ELECTION.] An election by an association under subdivision 2 must be made by resolution approved by the affirmative vote of the trustees of the association and by the affirmative vote of the members or

other persons with voting rights in the association. The affirmative vote of both the trustees of the association and of the members or other persons with voting rights, if any, in the association must be of the same proportion that is required for an amendment of the declaration of trust of the association before the election, in each case upon proper notice that a purpose of the meeting is to consider an election by the association to cease to be an association subject to and governed by chapter 318 and to become and be a nonprofit corporation subject to and governed by this chapter. The resolution and the articles of the amendment of the declaration of trust must be filed with the secretary of state and are effective upon filing, or a later date as may be set forth in the filed resolution. Upon the effective date, without any other action or filing by or on behalf of the association, the association automatically is subject to this chapter in the same manner and to the same extent as though it had been formed as a nonprofit corporation pursuant to this chapter. Upon the effective date of the election, the association is not considered to be a new entity, but is considered to be a continuation of the same entity.

Subd. 4. [EFFECTS OF ELECTION.] Upon the effective date of an association's election under subdivision 3, and consistent with the continuation of the association under this chapter:

(1) the organization has the rights, privileges, immunities, powers, and is subject to the duties and liabilities, of a corporation formed under this chapter;

(2) all real or personal property, debts, including debts arising from a subscription for membership and interests belonging to the association, continue to be the real and personal property, and debts of the organization without further action;

(3) an interest in real estate possessed by the association does not revert to the grantor, or otherwise, nor is it in any way impaired by reason of the election, and the personal property of the association does not revert by reason of the election;

(4) except where the will or other instrument provides otherwise, a devise, bequest, gift, or grant contained in a will or other instrument, in a trust or otherwise, made before or after the election has become effective, to or for the association, inures to the organization;

(5) the debts, liabilities, and obligations of the association continue to be the debts, liabilities, and obligations of the organization, just as if the debts, liabilities, and obligations had been incurred or contracted by the organization after the election;

(6) existing claims or a pending action or proceeding by or against the association may be prosecuted to judgment as though the election had not been affected;

(7) the liabilities of the trustees, members, officers, directors, or similar groups or persons, however denominated, of the association, are not affected by the election;

(8) the rights of creditors or liens upon the property of the association are not impaired by the election;

(9) an electing association may merge with one or more nonprofit corporations in accordance with the applicable provisions of this chapter, and

either the association or a nonprofit corporation may be the surviving entity in the merger; and

(10) the provisions of the bylaws of the association that are consistent with this chapter remain or become effective and provisions of the bylaws that are inconsistent with this chapter are not effective.

Sec. 16. Minnesota Statutes 1992, section 318.02, is amended by adding a subdivision to read:

Subd. 5. [ELECTION TO BE GOVERNED BY CHAPTER 317A.] An association may cease to be subject to or governed by this chapter by filing an election in the manner described in section 317A.022, to be subject to and governed by chapter 317A in the same manner and to the same extent provided in chapter 317A as though it were a nonprofit corporation if:

(1) it is not formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and

(2) it does not pay dividends or other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government."

Page 16, line 17, delete "The" and insert:

"The"

Page 16, after line 33, insert:

"Sec. 19. [TRANSFER.]

Money appropriated before fiscal year 1995 to the commissioner of health for the administrative functions in connection with the data institute may be used by the data institute for the administration of the patient satisfaction survey to the extent that there are matching financial contributions from the private sector."

Page 16, line 35, delete "14" and insert "19"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "requiring evaluation of patient satisfaction; providing for quality report cards; allowing certain associations to elect to become nonprofit corporations; amending Minnesota Statutes 1992, section 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 62J.45, by adding subdivisions;"

Page 1, line 9, delete "chapter 62J" and insert "chapters 62J; and 317A"

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

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

S.F. No. 1793: A bill for an act relating to real property; provided for

registration by title in cases of termination of a land contract; amending Minnesota Statutes 1992, section 508.58.

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 508.58, is amended to read:

508.58 [REGISTRATION AFTER FORECLOSURE; NEW CERTIFICATE; TERMINATION OF TIME-SHARE INTEREST.]

Subdivision 1. [COURT ORDER.] Any person who has, by an action or other proceeding to enforce or foreclose a mortgage, lien, or other charge upon registered land, become the owner in fee of the land, or any part thereof, may have the title registered. Except as provided in subdivision 2, the owner shall apply by duly verified petition to the court for a new certificate of title to such land, and the court shall thereupon, after due notice to all parties in interest and upon such hearing as the court may direct, make an order for the issuance of a new certificate of title to the person entitled thereto, and the registrar shall thereupon enter a new certificate of title to the land, or of the part thereof to which the petitioner is entitled, and issue an owner's duplicate as in the case of a voluntary conveyance.

Subd. 2. [EXAMINER OF TITLES DIRECTIVE.] (a) Any person who has become the owner in fee of registered land, or any part of the land, pursuant to a mortgage foreclosure by action under chapter 581 is entitled to a new certificate of title for the land described in the sheriff's certificate of sale or so much of the land as may be described in the certificate of title, after the redemption period expires. The registrar shall enter the new certificate of title and issue a new owner's duplicate certificate only pursuant to the court order provided in subdivision 1 or upon the written directive of the examiner of titles as to the legal sufficiency of the mortgage foreclosure proceeding. The directive of the examiner of titles also must specify the instruments the registrar shall omit from the new certificate of title by virtue of the foreclosure.

(b) *At the request of a registered owner or other person in interest, the examiner of titles; by a written directive, may direct the registrar of titles to show by memorial on a certificate of title that a contract for the conveyance of a time-share interest, as defined in section 515B.1-103, paragraph (32), has been terminated in accordance with chapter 559. The directive must specify the instruments the registrar must omit from the next certificate of title because of the cancellation.*

Delete the title and insert:

"A bill for an act relating to real property; provided for registration by title in cases of termination of a time-share interest; amending Minnesota Statutes 1992, section 508.58."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2232: A bill for an act relating to counties; providing for the filling by appointment of certain offices in metropolitan area counties previously elective; providing for conforming changes; amending Minnesota Statutes 1992, sections 382.01; and 382.02.

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 375A.10, subdivision 2, is amended to read:

Subd. 2. [CERTAIN OFFICES.] In addition to the other options provided by sections 375A.01 to 375A.13, ~~any~~ a county may institute one or more of the following options; except that a county ~~which~~ that has adopted the auditor-administrator plan may not provide for the appointment of the auditor or the consolidation of the offices of auditor and treasurer while the auditor-administrator plan is in force:

(a) ~~Provide~~ (1) provide for the appointment of one or more of the following offices if they have not been abolished by the adoption of other options: ~~County~~ county auditor, county treasurer, ~~sheriff~~ coroner, or county recorder;

(b) ~~Provide~~ (2) provide for the office of county civil counsel;

(c) ~~Consolidation~~ (3) consolidation of the offices of county auditor and treasurer; and

(4) provide for the appointment of the office of sheriff.

Sec. 2. Minnesota Statutes 1992, section 375A.12, subdivision 2, is amended to read:

Subd. 2. [FORM OF GOVERNMENT OPTIONS.] (a) The options provided in sections 375A.01 to 375A.10 ~~shall~~, except the option provided by section 375A.10, subdivision 2, clause (1), may be adopted in any county only after an affirmative vote of the voters in the county on the question of the adoption of the option. Except as provided in section 375A.01, only one such plan may be submitted at any one election.

(b) The option provided by section 375A.10, subdivision 2, clause (4), may be exercised at any time after the affirmative vote of the voters in the county on the question of the adoption of the option as provided in this section.

(c) The option provided by section 375A.10, subdivision 2, clause (1), may be exercised by the county board without an affirmative vote of the voters in the county at any time there is a vacancy in any of the offices named in section 375A.10, subdivision 2, clause (1), provided that the vacancy occurs prior to March 1 in a year in which the term of office would expire. The county board shall publish its intention to make an office enumerated in section 375A.10, subdivision 2, clause (1), appointive once each week for three consecutive weeks in the official newspaper of the county before making an appointment and may proceed with the appointment without a referendum unless a petition signed by at least ten percent of the registered voters of the county voting in the last general election, requesting a referendum on the question of making the office appointive, is presented to the county board within 90 days after the date of the last published notice of the intent to make the office appointive. If a petition is presented to the county board, a referendum must be held as

provided in this section. This paragraph supersedes a contrary provision of another general or special law or county charter provision.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties previously elective; providing for conforming changes; amending Minnesota Statutes 1992, sections 375A.10, subdivision 2; and 375A.12, subdivision 2."

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

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

S.F. No. 2462: A bill for an act relating to state departments and agencies; department of employee relations; providing for implementation of management training programs, authorizing the use of facsimile machines; abolishing the career executive service; amending Minnesota Statutes 1992, sections 13.67; 43A.21, subdivision 3; and 43A.32, subdivision 2; repealing Minnesota Statutes 1992, section 43A.21, subdivision 5.

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

Page 2, after line 14, insert:

"Sec. 2. [16B.482] [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under chapter 16B to state legislative and judicial branch agencies, political subdivisions, the University of Minnesota, and federal government agencies. Legislative and judicial branch agencies, political subdivisions, the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for cost."

Page 3, line 10, strike "certified"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 16B;"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2432: A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain member.

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

Page 1, line 7, delete "*any law to*"

Page 1, line 8, delete "*the contrary*" and insert "*Minnesota Statutes, sections 192.262 and 354.53*"

Page 1, line 10, after "*credit*" insert "*in the teachers retirement association*"

Page 1, delete lines 11 to 21 and insert "*the portion of this period recognized as active military service, other than a voluntary extension of active military service. The eligible person must provide any documentation related to this prior service credit purchase as required by the executive director of the teachers retirement association.*"

Subd. 2. [MANNER AND TERMS OF PURCHASE.] *To receive service credit under subdivision 1, a person must pay to the executive director of the teachers retirement association an amount equal to the present value on the date of payment of the amount of additional retirement annuity obtained by the purchase of additional service credit. Calculation of this amount must be made by the executive director using the applicable postretirement interest rate specified in Minnesota Statutes, section 355.215, subdivision 4d, and the mortality table adopted for the fund. Payment must be made in a lump sum within 180 days of the effective date of this section.*"

Page 2, line 2, delete "*the employee payment*" and insert "*payment under subdivision 2*"

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

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

S.F. No. 2519: A bill for an act relating to retirement; South St. Paul police relief association; clarifying probationary employment for purposes of relief association service credit for certain members.

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

Page 1, line 12, after "*hired*" insert "*as a police officer by the city of South St. Paul*"

Page 1, line 14, delete "*in excess of six months*"

Page 1, line 15, after "*employee*" insert "*that exceeded six months*"

Page 1, line 16, delete "*that period*" and insert "*the probationary employment period in excess of six months*"

Page 1, line 20, delete the first "*that*" and insert "*the eligible*"

Page 1, line 23, after "*(a)*" insert "*that was not paid under paragraph (b)*"

Page 2, line 1, after "and" insert "*the resulting amortization requirement must be included in*"

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

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

S.F. No. 1908: A bill for an act relating to public employment; correcting unintended omissions from previous early retirement legislation; ratifying certain prior payments.

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

Page 1, line 24, delete "*May 15*" and insert "*April 30*"

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

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

S.F. No. 2593: A bill for an act relating to state government; permitting employees of Minnesota Project Innovation, Inc. to participate in certain state employee benefit programs; amending Minnesota Statutes 1992, section 116O.04, subdivision 2.

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

Page 1, delete lines 17 to 22 and insert:

"(b) The board of Minnesota Project Innovation, Inc. may extend the benefits and coverage referenced in paragraph (a) to all of its employees."

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

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

S.F. No. 2213: A bill for an act relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

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

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITION.]

Subdivision 1. [CONVERSION.] "Conversion" means the lease of Itasca medical center facilities to a nonprofit or public corporation under Minnesota Statutes, section 447.47, with the resulting employment transfer of Itasca medical center employees to that nonprofit or public corporation.

Subd. 2. [LESSEE.] *"Lessee" means the nonprofit or public corporation which leases the Itasca medical center facilities under the conversion.*

Sec. 2. [EMPLOYEES OF ITASCA MEDICAL CENTER LESSEE.]

Under an Itasca medical center conversion, employees who were members of the public employees retirement association due to employment at the Itasca medical center as of the day before the conversion, retain PERA membership under the conversion.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

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

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

S.F. No. 1801: A bill for an act relating to retirement; increasing employee contribution rates and benefit computation formulas for the teachers retirement fund; revising the salary growth assumption for certain public pension funds; amending Minnesota Statutes 1992, sections 354.42, subdivision 2; 354.44, subdivision 6; and 356.215, subdivision 4d; Minnesota Statutes 1993 Supplement, section 356.215, subdivision 4g.

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

Page 1, line 13, delete the new language

Page 1, delete lines 20 to 27

Page 2, delete lines 1 to 15

Page 3, line 8, delete "1.2" and insert "1.13" and delete "2.2" and insert "2.13"

Page 3, line 10, delete "1.7" and insert "1.63" and delete "2.7" and insert "2.63"

Page 4, line 2, delete "2.7" and insert "2.63"

Page 4, line 3, delete "1.7" and insert "1.63"

Pages 4 to 8, delete sections 3 and 4

Page 8, line 8, delete "Sections 1 to 4 are" and insert "Section 1 is"

Page 8, line 9, after the period, insert "Section 2 is effective May 15, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "revising the salary"

Page 1, delete line 5

Page 1, line 7, after the first semicolon, insert "and" and delete "; and 356.215," and insert a period

Page 1, delete lines 8 and 9

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

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

S.F. No. 2250: A bill for an act relating to retirement; enabling certain retired members of the public employees retirement association to rescind a selection of a joint and survivor annuity and to receive a normal retirement annuity.

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

Page 1, line 8, after "a" insert "person:

(1) *who is a*"

Page 1, line 9, after "utility" insert ";

(2)"

Page 1, line 11, delete ", and" and insert ";

(3)"

Page 1, line 12, before the period, insert ";

(4) *whose marriage with the joint annuitant has been dissolved;*

(5) *whose marriage dissolution decree provided for a waiver of the optional annuity election; and*

(6) *who has submitted, with the joint annuitant, a waiver of the joint and survivor optional annuity form"*

Page 1, line 14, delete "section" and insert "sections" and after "7" insert "and 353.30, subdivisions 3, 3a, and 3c"

Page 1, line 16, delete "normal" and insert "revised"

Page 1, line 20, delete "A change" and insert "The revised retirement annuity may not exceed the actuarial present value of the joint and survivor optional annuity form payable immediately prior to the retirement annuity revision. A revision"

Page 1, after line 23, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 2458: A bill for an act relating to agriculture; authorizing the commissioner of agriculture to lease certain grain testing equipment to country elevators; requiring training of equipment operators; requiring inspection of equipment for accuracy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17B.

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

Page 1, delete lines 9 to 26

Page 2, delete lines 1 to 14

Page 2, line 15, delete "Subd. 5." and insert "Section 1. [17B.042]"

Page 2, line 17, delete everything after "elevator"

Page 2, after line 19, insert:

"Sec. 2. [PROTEIN TESTING VARIATION STUDY.]

The department of agriculture shall analyze the variation in protein testing samples and report the results of such study to the agriculture committees of the house of representatives and senate by January 1, 1995."

Page 2, line 21, delete "\$2,000,000" and insert "\$1,000,000"

Page 2, line 22, delete "of the pilot equipment" and insert "of this act"

Page 2, delete lines 23 and 24

Page 2, line 25, delete "program"

Page 2, line 27, delete "Sections 1 and 2 are" and insert "This act is"

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 2, delete "authorizing the commissioner"

Page 1, delete line 3

Page 1, line 4, delete "equipment to country elevators;" and after "of" insert "country elevator"

Page 1, line 5, delete "inspection of equipment" and insert "a study of variation in grain protein test samples"

Page 1, line 6, delete "for accuracy"

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

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

S.F. No. 2744: A bill for an act relating to transportation; establishing and providing for appointments to an advisory council to study and report on statewide paratransit; appropriating money.

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

Page 1, line 24, delete "13" and insert "15"

Page 2, line 21, delete "and"

Page 2, line 23, delete the period and insert "; and"

(iv) two mass transit service providers, one from the metropolitan area, one from outside the metropolitan area."

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

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

S.F. No. 2251: A bill for an act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, subdivision 3.

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

Page 2, line 19, delete "OR" and insert "AND"

Page 3, line 12, reinstate the stricken language and delete " salary"

Page 4, line 1, delete ", but is not limited to"

Page 4, line 2, delete "and" and insert "or"

Page 4, line 3, delete "anyone else who works" and insert "income resulting from working"

Page 4, after line 9, insert:

"Sec. 4. [MINNEAPOLIS TEACHERS RETIREMENT FUND BYLAW AMENDMENT.]

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the board of the Minneapolis teachers retirement fund association may amend the bylaws or articles of incorporation to provide parental or maternity leave, providing that the leave is granted by the employing authority, and specifying that:

(a) the service credit obtained may not exceed one year for the period of the leave;

(b) to obtain the service credit, the individual must pay to the fund an amount equal to the total required contributions for the period of the leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary rate upon returning to teaching service; and

(c) payment must be made by the end of the fiscal year following the fiscal year in which the leave terminates. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 5. [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION AND MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION BYLAW AMENDMENTS.]

Consistent with Minnesota Statutes, section 354A.12, subdivision 4, the board of the Minneapolis teachers retirement fund association and the board of the St. Paul teachers retirement fund association may amend the bylaws or articles of incorporation to provide that:

(1) a person receiving a basic program retirement annuity under the governing sections in the articles of incorporation or bylaws and who resumes teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments, except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403;

(2) the amount of the reduction must be one-third the amount in excess of the applicable reemployment income maximum and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned;

(3) if the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits;

(4) if the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income must be prorated for that calendar year;

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

(6) for the purposes of the bylaw amendment, income from teaching service includes: (i) all income for services performed as a consultant, independent contractor, or income resulting from working with the school district in any capacity; and (ii) the greater of either the income received or an amount based on the rate paid with respect to an administrative position, consultant, or independent contractor in the school district in which the teachers retirement fund association exists and at the same level as the position occupied by the person who resumes teaching service.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing the board of the Minneapolis teachers retirement fund association to amend the bylaws or articles of incorporation to provide for parental or maternity leave;"

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

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

S.F. No. 2210: A bill for an act relating to health; Ramsey Health Care, Inc.; authorizing the public corporation to incorporate as a nonprofit corporation; terminating its status as a public corporation; providing for the care of the indigent of Ramsey county and other counties; providing for certain of its powers and duties; repealing Minnesota Statutes 1992, sections 246A.01; 246A.02; 246A.03; 246A.04; 246A.05; 246A.06; 246A.07; 246A.08; 246A.09; 246A.10; 246A.11; 246A.12; 246A.13; 246A.14; 246A.15; 246A.16; 246A.17; 246A.18; 246A.19; 246A.20; 246A.21; 246A.22; 246A.23; 246A.24; 246A.25; 246A.26; and 246A.27.

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

Page 2, line 3, before the period, insert “, except as provided under paragraph (b)” and before “A” insert:

“(b)”

Page 2, line 6, delete “may elect” and insert “shall continue to be included in the definition of public employee under the public employees retirement act, Minnesota Statutes, chapter 353, but may terminate membership in the public employees retirement association before July 1, 1995.”

Page 2, delete line 7

Page 2, line 8, delete “(b)” and insert “(c)” and delete “elects to remain” and insert “remains”

Page 2, line 14, delete “(c)” and insert “(d)”

Page 4, delete section 5 and insert:

“Sec. 5. [EFFECTIVE DATE.]

Sections 1 and 2 are effective upon approval by the Ramsey county board of commissioners and amendment of the lease as required under section 2, subdivision 4, paragraph (b). Section 3 is effective upon incorporation of the nonprofit corporation under section 2, subdivision 1.”

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

H.F. No. 2035: A bill for an act relating to commerce; residential building contractors and remodelers; clarifying legislative intent to require maintenance of bonds until license renewal; requiring recovery fund fee proration in certain circumstances; amending Minnesota Statutes 1993 Supplement, section 326.975, subdivision 1.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2171, 2579, 2582, 2661, 1862, 2391, 2496, 2104, 2332, 1872, 1679, 348, 2471, 2556, 2503, 2062, 2305, 2004, 2431, 2267, 2422, 2642, 1825, 2031, 1793, 2232, 2462, 2432, 2519, 1908, 2213, 2250, 2251 and 2210 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2210, 2435, 2646, 2080, 1936 and 2035 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Belanger moved that his name be stricken as a co-author to S.F. No. 2226. The motion prevailed.

Mr. Lessard moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 2429. The motion prevailed.

Mr. Chandler moved that the names of Ms. Anderson, Kiscaden and Mr. Samuelson be added as co-authors to S.F. No. 2754. The motion prevailed.

Mr. Price moved that S.F. No. 760 be taken from the table. The motion prevailed.

S.F. No. 760: A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

Mr. Price moved that S.F. No. 760 be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1706 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1706: A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Mr. Novak moved to amend S.F. No. 1706 as follows:

Page 2, line 4, delete "*Except as provided in section 5*"

Page 2, line 7, delete "*up to*"

Page 2, line 9, delete everything after the period

Page 2, delete lines 10 to 36

Page 3, delete line 1

Page 3, delete line 22

Page 3, line 23, delete "*section 1 is not effective until*"

Page 3, line 24, after "*plant*" insert "*shall*"

Mr. Frederickson requested division of the amendment as follows:

First portion:

Page 2, line 4, delete "*Except as provided in section 5*"

Page 2, line 7, delete "*up to*"

Page 2, line 9, delete everything after the period

Page 2, delete lines 10 to 36

Page 3, delete line 1

Second portion:

Page 3, delete line 22

Page 3, line 23, delete "*section 1 is not effective until*"

Page 3, line 24, after "*plant*" insert "*shall*"

Ms. Johnson, J.B. moved to amend the first portion of the Novak amendment to S.F. No. 1706 as follows:

Page 1, delete lines 3 to 5 and insert:

"Page 2, line 7, delete "*Prairie Island*" and insert "*a site that complies with this section.*"

Page 2, delete lines 8 and 9

Page 2, line 10, delete "*Prairie Island site if*"

Page 2, line 11, delete "*commences and pursues*" and insert "*following the effective date of this section must commence and pursue*"

Page 2, line 17, delete "*and*"

Page 2, line 18, after "*practicable*" insert "*; and*

(4) is located within the territory of a local government unit that can levy a property tax on the Prairie Island nuclear generating plant property.

The public utility shall report every six months on its progress to obtain approval and licensure of an alternative site to the public utilities commission and the Mdewakanton Sioux Tribal Council at Prairie Island"

Page 2, delete lines 19 to 36"

The question was taken on the adoption of the Johnson, J.B. amendment to the first portion of the Novak amendment.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Krentz	Pappas	Reichgott Junge
Beckman	Finn	Luther	Piper	Riveness
Berglin	Flynn	Marty	Pogemiller	Spear
Betzold	Frederickson	Mondale	Price	Stumpf
Chandler	Johnson, J.B.	Morse	Ranum	Wiener

Those who voted in the negative were:

Belanger	Hottinger	Kroening	Metzen	Robertson
Benson, D.D.	Janezich	Laidig	Moe, R.D.	Runbeck
Benson, J.E.	Johnson, D.E.	Langseth	Murphy	Sams
Berg	Johnson, D.J.	Larson	Neuville	Samuelson
Bertram	Johnston	Lesewski	Novak	Solon
Day	Kelly	Lessard	Oliver	Stevens
Dille	Kiscaden	McGowan	Olson	Terwilliger
Hanson	Knutson	Merriam	Pariseau	Vickerman

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

Mr. Finn moved to amend the first portion of the Novak amendment to S.F. No. 1706 as follows:

Page 1, after line 6, insert:

“Page 3, after line 12, insert:

“Sec. 4. [TRANSFER OF LAND TO MDEWAKANTON SIOUX TRIBE AT PRAIRIE ISLAND.]

By December 31, 1996, the state, in consultation with the Mdewakanton Sioux Tribal Council at Prairie Island, shall offer to transfer without consideration 1,200 contiguous acres of land in Goodhue county to the United States in trust for the Mdewakanton Sioux Tribe at Prairie Island. The land to be offered may be acquired by purchase or may consist of lands already owned by the state. The state shall also provide relocation assistance to members of the Mdewakanton Sioux Tribe residing at Prairie Island for relocation to the land transferred.”

Page 1, after line 10, insert:

“Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly”

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

CALL OF THE SENATE

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

The question recurred on the first portion of the Novak amendment, as amended.

The roll was called, and there were yeas 36 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Langseth	Novak	Solon
Benson, J.E.	Johnson, D.J.	Larson	Oliver	Stevens
Berg	Johnston	Lesewski	Olson	Stumpf
Bertram	Kelly	Lessard	Pariseau	Terwilliger
Day	Kiscaden	McGowan	Robertson	
Dille	Knutson	Metzen	Runbeck	
Hanson	Kroening	Moe, R.D.	Sams	
Janezich	Laidig	Murphy	Samuelson	

Those who voted in the negative were:

Anderson	Chmielewski	Johnson, J.B.	Morse	Ranum
Beckman	Cohen	Krentz	Neuville	Reichgott Junge
Benson, D.D.	Finn	Luther	Pappas	Riveness
Berglin	Flynn	Marty	Piper	Spear
Betzold	Frederickson	Merriam	Pogemiller	Wiener
Chandler	Hottinger	Mondale	Price	

The motion prevailed. So the first portion of the Novak amendment, as amended, was adopted.

Mr. Novak withdrew the second portion of the amendment.

Mr. Riveness moved to amend S.F. No. 1706 as follows:

Page 3, line 23, delete "state" and insert "governor, on behalf of the state,"

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved that S.F. No. 1706 be laid on the table.

The question was taken on the adoption of the motion.

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

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Larson	Neuville	Ranum
Beckman	Flynn	Lesewski	Oliver	Reichgott Junge
Benson, D.D.	Frederickson	Luther	Olson	Runbeck
Berglin	Johnson, J.B.	Marty	Pariseau	Spear
Betzold	Johnston	McGowan	Piper	
Chandler	Kiscaden	Mondale	Pogemiller	
Cohen	Krentz	Morse	Price	

Those who voted in the negative were:

Belanger	Hanson	Kroening	Murphy	Stevens
Benson, J.E.	Hottinger	Laidig	Novak	Stumpf
Berg	Janezich	Langseth	Riveness	Terwilliger
Bertram	Johnson, D.E.	Lessard	Robertson	Vickerman
Chmielewski	Johnson, D.J.	Merriam	Sams	Wiener
Day	Kelly	Metzen	Samuelson	
Dille	Knutson	Moe, R.D.	Solon	

The motion did not prevail.

Mr. Chandler moved to amend S.F. No. 1706 as follows:

Page 6, after line 36, insert:

"Sec. 2. [NUCLEAR TRANSITION; RATES.]

The public utilities commission may not grant an increase in electricity rates for the public utility operating the Prairie Island nuclear electric generating plant until the utility has a resource plan approved by the public utilities commission that provides for the replacement of the power produced at Prairie Island by renewables and conservation by the year 2002."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Pappas	Riveness
Beckman	Flynn	Luther	Piper	Samuelson
Berglin	Frederickson	Marty	Pogemiller	Spear
Betzold	Hottinger	Mondale	Price	Stumpf
Chandler	Johnson, J.B.	Morse	Ranum	Wiener
Cohen	Kelly	Neuville	Reichgott Junge	

Those who voted in the negative were:

Belanger	Hanson	Kroening	Metzen	Robertson
Benson, D.D.	Janezich	Laidig	Moe, R.D.	Runbeck
Benson, J.E.	Johnson, D.E.	Langseth	Murphy	Sams
Berg	Johnson, D.J.	Lesewski	Novak	Solon
Bertram	Johnston	Lessard	Oliver	Stevens
Day	Kiscaden	McGowan	Olson	Terwilliger
Dille	Knutson	Merriam	Pariseau	Vickerman

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

Mr. Vickerman moved to amend S.F. No. 1706 as follows:

Page 4, line 20, after "NUCLEAR" insert "AND COAL"

Page 4, line 22, after "new" insert "coal or a new"

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

Ms. Piper moved to amend S.F. No. 1706 as follows:

Page 2, line 3, delete "17" and insert "15"

Page 2, line 7, delete "17" and insert "15"

Page 3, line 3, delete "(b)" and insert "(d)"

Page 3, lines 5 and 22, delete "17" and insert "15"

Page 3, after line 5, insert:

"(b) The 15 casks authorized by section 1 may each be used only once for storage. If spent fuel is removed from a cask for the purpose of shipping it from the plant site, no additional spent fuel may be stored in that cask.

(c) The Prairie Island nuclear generating plant shall, no later than December 31, 2000; cease generating electricity."

Page 3, line 6, delete "(b)" and insert "(d)"

Page 3, delete section 6

Renumber the sections of article 1 in sequence and correct the internal references

Page 4, line 13, delete "While"

Page 4, delete line 14

Page 4, line 15, delete everything before "warrant" and insert "These costs"

Page 4, delete section 3

Renumber the sections of article 2 in sequence and correct the internal references

Page 6, delete sections 2 and 3

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

Page 7, after line 2, insert:

"ARTICLE 5

TRANSITION FROM NUCLEAR ENERGY

Section 1. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 1c. [ENERGY-SAVING GOALS.] The commissioner shall establish energy-savings goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

Sec. 2. [NUCLEAR POWER TRANSITION; ENERGY REPLACEMENT PURCHASES.]

The public utilities commission shall order the building of a portfolio of purchased replacement power through contracts with a number of wholesale suppliers as part of the energy supply mix of any public utility operating a nuclear power plant in this state. The portfolio may include option contracts and may be built in small increments so that prices can remain relatively stable. The commission must assess the need for replacement power through purchase and its order must provide for a flexible schedule of purchases including the timing and amount of energy to be purchased. The commission must issue its initial order by July 1, 1994.

Sec. 3. [216B.2423] [NUCLEAR UTILITY; TRANSITION ENERGY BIDDING PROCESS.]

Subdivision 1. [ENERGY ACQUISITION REQUIREMENT.] A utility that operates a nuclear electric generating plant in this state shall immediately initiate a bidding process for the acquisition of 7,700 gigawatt hours of output per year of electric energy. The bidding process shall be subject to section 216B.2422, subdivision 5, and any other law or rule not in conflict with this section. The acquisition shall be made in the amounts and at the times specified in this section.

Subd. 2. [RESOURCE POINT SYSTEM.] The acquisition of electrical

energy production resources under this section shall be based on the following point system per gigawatt hour of output:

(1) demand side management in excess of that committed to in a utility's most recent integrated resource plan – ten points;

(2) wind, solar, and other zero emission renewable resources certified by the commission – six points;

(3) biomass and landfill gas – four points; and

(4) high-efficiency cogeneration (at least 50 percent of the residual heat is used as thermal energy) and purchases of hydroelectric energy that does not require major new improvements or construction of new transmission lines – three points.

All other resources shall receive zero points. Coal and nuclear resources cannot be used to satisfy the output acquisition requirement of this section.

The average point score for all energy required to be acquired under this section must be at least five per gigawatt hour.

Subd. 3. [ACQUISITION SCHEDULE.] The 7,700 gigawatt hours of annual output shall be acquired by December 31, 2005. An average of 700 gigawatt hours of annual output shall be phased in for each year from 1996 through 2005. The commission shall closely monitor the acquisition to ensure that steady and consistent acquisitions are made in compliance with this section.

Subd. 4. [RATEPAYER PROTECTION.] The commission may allow a lower point total to win a resource bidding process if an otherwise winning bid would, by itself, cause an annual rate increase bigger than the highest rate increase requested by the utility in the five preceding calendar years.

Sec. 4. [TRANSITION TO RENEWABLES; EFFECT ON RATEPAYERS; STUDY.]

The attorney general shall study the effect on ratepayers of a transition to renewable electric generating sources. The study shall include an analysis of strategies to cushion any short-term rate impact on electric utility ratepayers. The attorney general shall report the results of the study and any recommendations to the legislature by February 1, 1995."

Amend the title accordingly

Mr. Morse requested division of the amendment as follows:

First portion:

Page 2, line 3, delete "17" and insert "15"

Page 2, line 7, delete "17" and insert "15"

Page 3, line 3, delete "(b)" and insert "(d)"

Page 3, lines 5 and 22, delete "17" and insert "15"

Page 3, after line 5, insert:

"(b) The 15 casks authorized by section 1 may each be used only once for storage. If spent fuel is removed from a cask for the purpose of shipping it from the plant site, no additional spent fuel may be stored in that cask.

(c) The Prairie Island nuclear generating plant shall, no later than December 31, 2000, cease generating electricity."

Page 3, line 6, delete "(b)" and insert "(d)"

Page 3, delete section 6

Renumber the sections of article 1 in sequence and correct the internal references

Page 4, line 13, delete "While"

Page 4, delete line 14

Page 4, line 15, delete everything before "warrant" and insert "These costs"

Page 4, delete section 3

Renumber the sections of article 2 in sequence and correct the internal references

Page 6, delete sections 2 and 3

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

Amend the title accordingly

Second portion:

Page 7, after line 2, insert:

"ARTICLE 5

TRANSITION FROM NUCLEAR ENERGY

Section 1. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 1c. [ENERGY-SAVING GOALS.] The commissioner shall establish energy-savings goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

Sec. 2. [NUCLEAR POWER TRANSITION; ENERGY REPLACEMENT PURCHASES.]

The public utilities commission shall order the building of a portfolio of purchased replacement power through contracts with a number of wholesale suppliers as part of the energy supply mix of any public utility operating a nuclear power plant in this state. The portfolio may include option contracts and may be built in small increments so that prices can remain relatively stable. The commission must assess the need for replacement power through purchase and its order must provide for a flexible schedule of purchases including the timing and amount of energy to be purchased. The commission must issue its initial order by July 1, 1994.

Sec. 3. [216B.2423] [NUCLEAR UTILITY; TRANSITION ENERGY BIDDING PROCESS.]

Subdivision 1. [ENERGY ACQUISITION REQUIREMENT.] A utility that operates a nuclear electric generating plant in this state shall immediately initiate a bidding process for the acquisition of 7,700 gigawatt hours of output

per year of electric energy. The bidding process shall be subject to section 216B.2422, subdivision 5, and any other law or rule not in conflict with this section. The acquisition shall be made in the amounts and at the times specified in this section.

Subd. 2. [RESOURCE POINT SYSTEM.] The acquisition of electrical energy production resources under this section shall be based on the following point system per gigawatt hour of output:

(1) demand side management in excess of that committed to in a utility's most recent integrated resource plan – ten points;

(2) wind, solar, and other zero emission renewable resources certified by the commission – six points;

(3) biomass and landfill gas – four points; and

(4) high-efficiency cogeneration (at least 50 percent of the residual heat is used as thermal energy) and purchases of hydroelectric energy that does not require major new improvements or construction of new transmission lines – three points.

All other resources shall receive zero points. Coal and nuclear resources cannot be used to satisfy the output acquisition requirement of this section.

The average point score for all energy required to be acquired under this section must be at least five per gigawatt hour.

Subd. 3. [ACQUISITION SCHEDULE.] The 7,700 gigawatt hours of annual output shall be acquired by December 31, 2005. An average of 700 gigawatt hours of annual output shall be phased in for each year from 1996 through 2005. The commission shall closely monitor the acquisition to ensure that steady and consistent acquisitions are made in compliance with this section.

Subd. 4. [RATEPAYER PROTECTION.] The commission may allow a lower point total to win a resource bidding process if an otherwise winning bid would, by itself, cause an annual rate increase bigger than the highest rate increase requested by the utility in the five preceding calendar years.

Sec. 4. [TRANSITION TO RENEWABLES; EFFECT ON RATEPAYERS; STUDY.]

The attorney general shall study the effect on ratepayers of a transition to renewable electric generating sources. The study shall include an analysis of strategies to cushion any short-term rate impact on electric utility ratepayers. The attorney general shall report the results of the study and any recommendations to the legislature by February 1, 1995."

Amend the title accordingly

The question was taken on the adoption of the first portion of the Piper amendment.

The roll was called, and there were yeas 26 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Larson	Piper	Spear
Beckman	Flynn	Luther	Pogemiller	Wiener
Berglin	Frederickson	Marty	Price	
Betzold	Hottinger	Mondale	Ranum	
Chandler	Johnson, J.B.	Morse	Reichgott Junge	
Cohen	Krentz	Pappas	Riveness	

Those who voted in the negative were:

Belanger	Hanson	Kroening	Moe, R.D.	Runbeck
Benson, D.D.	Janezich	Laidig	Murphy	Sams
Benson, J.E.	Johnson, D.E.	Langseth	Neuville	Samuelson
Berg	Johnson, D.J.	Lesewski	Novak	Solon
Bertram	Johnston	Lessard	Oliver	Stevens
Chmielewski	Kelly	McGowan	Olson	Stumpf
Day	Kiscaden	Merriam	Pariseau	Terwilliger
Dille	Knutson	Metzen	Robertson	Vickerman

The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Piper amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Krentz	Pogemiller	Stumpf
Beckman	Finn	Luther	Price	Vickerman
Benson, D.D.	Flynn	Marty	Ranum	Wiener
Berglin	Frederickson	Mondale	Reichgott Junge	
Betzold	Hottinger	Morse	Riveness	
Chandler	Johnson, J.B.	Pappas	Robertson	
Chmielewski	Kiscaden	Piper	Spear	

Those who voted in the negative were:

Belanger	Janezich	Laidig	Metzen	Pariseau
Benson, J.E.	Johnson, D.E.	Langseth	Moe, R.D.	Runbeck
Berg	Johnson, D.J.	Larson	Murphy	Sams
Bertram	Johnston	Lesewski	Neuville	Samuelson
Day	Kelly	Lessard	Novak	Solon
Dille	Knutson	McGowan	Oliver	Stevens
Hanson	Kroening	Merriam	Olson	Terwilliger

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Finn moved to amend S.F. No. 1706 as follows:

Page 2, line 6, delete "*and approves the EIS and*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Krentz	Piper	Spear
Beckman	Finn	Luther	Pogemiller	Stumpf
Benson, D.D.	Flynn	Marty	Price	Vickerman
Berglin	Frederickson	Mondale	Ranum	Wiener
Betzold	Hottinger	Morse	Reichgott Junge	
Chandler	Johnson, J.B.	Pappas	Riveness	

Those who voted in the negative were:

Belanger	Janezich	Laidig	Moe, R.D.	Runbeck
Benson, J.E.	Johnson, D.E.	Langseth	Murphy	Sams
Berg	Johnson, D.J.	Larson	Neuville	Samuelson
Bertram	Johnston	Lesewski	Novak	Stevens
Chmielewski	Kelly	Lessard	Oliver	Terwilliger
Day	Kiscaden	McGowan	Olson	
Dille	Knutson	Merriam	Pariseau	
Hanson	Kroening	Metzen	Robertson	

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

Mr. Stumpf moved to amend S.F. No. 1706 as follows:

Page 6, line 7, delete "*construct and operate*" and insert "*have operational*"

Page 6, line 8, after "*of*" insert "*effective capacity*"

Page 6, line 9, after "*kilowatts*" insert "*of effective capacity*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Larson	Pappas	Runbeck
Beckman	Flynn	Lesewski	Piper	Spear
Benson, D.D.	Frederickson	Luther	Pogemiller	Stumpf
Berglin	Hottinger	Marty	Price	Vickerman
Betzold	Johnson, J.B.	Mondale	Ranum	Wiener
Chandler	Johnston	Morse	Reichgott Junge	
Cohen	Krentz	Neuville	Riveness	

Those who voted in the negative were:

Belanger	Hanson	Kroening	Moe, R.D.	Sams
Benson, J.E.	Janezich	Laidig	Murphy	Samuelson
Berg	Johnson, D.E.	Langseth	Novak	Solon
Bertram	Johnson, D.J.	Lessard	Oliver	Stevens
Chmielewski	Kelly	McGowan	Olson	Terwilliger
Day	Kiscaden	Merriam	Pariseau	
Dille	Knutson	Metzen	Robertson	

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

Ms. Johnson, J.B. moved to amend S.F. No. 1706 as follows:

Page 6, after line 23, insert:

"Section 1. Minnesota Statutes 1992, section 216B.16, subdivision 8, is amended to read:

Subd. 8. [ADVERTISING EXPENSES.] The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(a) is designed to influence or has the effect of influencing public attitudes towards legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the public utilities commission or other agency of government responsible for regulating a public utility;

(b) is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(c) is designed primarily to promote consumption of the services of the utility; ~~or~~

(d) is designed primarily to promote good will for the public utility or improve the utility's public image; *or*

(e) is designed to promote the use of nuclear power or to promote a nuclear waste storage facility.

The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

(a) is designed to encourage conservation of energy supplies;

(b) is designed to promote safety; *or*

(c) is designed to inform and educate customers as to financial services made available to them by the public utility.

The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "regulating certain advertising expenses related to nuclear power;"

Page 1, line 14, after "216B.16," insert "subdivision 8, and"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Lessard	Pappas	Samuelson
Beckman	Hottinger	Luther	Piper	Solon
Berglin	Johnson, J.B.	Marty	Pogemiller	Spear
Betzold	Johnston	Metzen	Price	Stumpf
Chandler	Kelly	Mondale	Ranum	Wiener
Cohen	Knutson	Morse	Reichgott Junge	
Finn	Krentz	Neuville	Riveness	
Flynn	Larson	Oliver	Runbeck	

Those who voted in the negative were:

Belanger	Day	Kiscaden	Merriam	Robertson
Benson, D.D.	Dille	Kroening	Moe, R.D.	Sams
Benson, J.E.	Hanson	Laidig	Murphy	Stevens
Berg	Janezich	Langseth	Novak	Terwilliger
Bertram	Johnson, D.E.	Lesewski	Olson	Vickerman
Chmielewski	Johnson, D.J.	McGowan	Pariseau	

The motion prevailed. So the amendment was adopted.

Ms. Johnson, J.B. then moved that S.F. No. 1706 be laid on the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Larson	Oliver	Runbeck
Beckman	Frederickson	Lesewski	Pappas	Spear
Benson, D.D.	Hottinger	Luther	Pariseau	Stumpf
Berglin	Johnson, J.B.	Marty	Piper	Wiener
Betzold	Johnston	McGowan	Pogemiller	
Chandler	Kiscaden	Mondale	Price	
Cohen	Knutson	Morse	Ranum	
Finn	Krentz	Neuville	Reichgott Junge	

Those who voted in the negative were:

Belanger	Dille	Kroening	Moe, R.D.	Sams
Benson, J.E.	Hanson	Laidig	Murphy	Samuelson
Berg	Janezich	Langseth	Novak	Solon
Bertram	Johnson, D.E.	Lessard	Olson	Stevens
Chmielewski	Johnson, D.J.	Merriam	Riveness	Terwilliger
Day	Kelly	Metzen	Robertson	Vickerman

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2357, 2316 and 2395. The motion prevailed.

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

S.F. No. 2710: A bill for an act relating to health; modifying provisions relating to lead abatement; amending Minnesota Statutes 1992, section 144.874, subdivision 12, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 144.871, subdivision 7c; 144.872, subdivision 2; 144.874, subdivisions 1, 3, and 11a; and 144.878, subdivisions 2 and 5; repealing Minnesota Statutes 1993 Supplement, section 144.877.

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 1993 Supplement, section 16B.61, subdivision 3, is amended to read:

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

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

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

(d) [CHILD CARE FACILITIES IN CHURCHES; GROUND LEVEL EXIT.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

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

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

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

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

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

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

(i) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(j) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(k) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(l) [EXIT SIGN ILLUMINATION.] For a new building on which construction is begun on or after October 1, 1993, or an existing building on which remodeling affecting 50 percent or more of the enclosed space is begun on or after October 1, 1993, the code must prohibit the use of internally illuminated exit signs whose electrical consumption during nonemergency operation exceeds 20 watts of resistive power. All other requirements in the code for exit signs must be complied with.

(m) [RESIDENTIAL WORK.] *By January 1, 1996, the commissioner of administration shall develop building code provisions in accordance with the directives and provisions developed under section 144.874, subdivision 11a.*

Sec. 2. Minnesota Statutes 1993 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means ~~removal of, replacement of, or encapsulation of deteriorated paint, bare soil, dust, drinking water, or other lead-containing materials that are or may become readily accessible during the lead abatement process and pose an immediate threat of actual lead exposure to people~~ any set of procedures designed to eliminate lead-based paint hazards in accordance with standards established by the commissioner of health. This term includes the removal of lead-based paint and lead contaminated dust, the containment and encapsulation of lead-based paint, the replacement of lead-painted surfaces and fixtures, and the removal or covering of lead-contaminated soil and preparation, cleanup, disposal, and postabatement clearance testing activities associated with these procedures.

Sec. 3. Minnesota Statutes 1992, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] "Abatement contractor" means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878 *and who is licensed by the commissioner according to rules adopted under section 144.878, subdivision 5.*

Sec. 4. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] ~~(a)~~ The commissioner shall, within available federal or state appropriations, contract with boards of health, ~~who may determine priority for responding to cases of elevated blood lead levels,~~

to conduct assessments to determine sources of lead contamination in the residences of pregnant women whose blood lead levels are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must be notified of all violations of standards under section 144.878, subdivision 2, that are identified during a home assessment under section 144.874.

(b) The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels.

(c) Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter.

(d) The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 5. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence and all common areas, if the residence is located in a building with two or more residential units, within five working days of receiving notification that the criteria in this subdivision have been met, as confirmed by lead analysis of a venous blood sample, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;

(2) a child in the residence is identified as having a blood lead level at or above 20 micrograms per deciliter; or

(3) a child in the residence is identified as having a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification. Assessments must be conducted by a board of health regardless of the availability of state or federal appropriations for assessments.

(b) Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. A board of health may assess a residence even if none of the three criteria in this subdivision are met.

(c) If a child regularly spends several hours at one or more other sites such as another residence, or a residential or commercial child care facility, the board of health must also assess the other sites. The board of health shall have one additional day to complete the assessment for each additional site.

(d) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. This information shall be classified as private data on individuals as defined under section 13.02, subdivision 12.

(e) The board of health must conduct the residential assessment according to rules adopted by the commissioner under section 144.878. A board of health must have residence assessments performed by lead inspectors licensed by the commissioner according to rules adopted under section 144.878. A board of health may observe the performance of lead abatement in progress and may enforce the provisions of sections 144.871 to 144.879 under section 144.878.1. The staff complement of the department of health shall be increased by two full-time equivalent positions who shall be lead inspectors.

(f) A lead inspector must notify the commissioner or the board of health of all violations under section 144.878, subdivision 2, that are identified in a residence assessment under this section.

(g) The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

(h) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.

Sec. 6. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [~~SWAB TEAMS; LEAD ASSESSMENT; LEAD ABATEMENT ORDERS.~~] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. *If the paint standard adopted under section 144.878 is violated, but the paint is intact, a board of health must not order paint removal unless it can be proven that the intact paint is a known source, or reasonably expected to be a source, of actual lead exposure to a specific person. Before a board of health may order the intact paint to be removed, every effort must be made to protect the child and preserve the intact paint by the use of guards or other protective devices.* Lead abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. The board of health is not required to pay for lead abatement. With each lead abatement order, the board of health must coordinate with swab team abatement and provide a residential lead abatement guide.

Sec. 7. Minnesota Statutes 1992, section 144.874, is amended by adding a subdivision to read:

Subd. 3b. [RESIDENTIAL LEAD ABATEMENT.] *After July 1, 1995, a person who performs work that removes intact paint on residences built before February 27, 1978, must determine whether lead sources are present and whether the planned work would be lead abatement as defined in section 144.871, subdivision 2. This determination may be made by quantitative*

chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. If lead sources are identified and exceed the standards adopted under section 144.878, the work must be performed by a licensed lead abatement contractor. An owner of an owner-occupied residence with one or two units is not subject to the requirements of this subdivision.

Sec. 8. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 9, is amended to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue primary prevention for toxic lead exposure within the limits of appropriations. *The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination.*

Sec. 9. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 11a, is amended to read:

Subd. 11a. [LEAD ABATEMENT AND LEAD-SAFE WORK DIRECTIVES.] (a) In order to achieve statewide consistency in the application of lead abatement standards, the commissioner shall issue program directives that interpret the application of rules under section 144.878 in ambiguous or unusual lead abatement situations. These directives are guidelines to local boards of health. The commissioner shall periodically review the evaluation of lead abatement orders and the program directives to determine if the rules under section 144.878 need to be amended to reflect new understanding of lead abatement practices and methods.

(b) *By July 1, 1995, the commissioner shall work cooperatively with the commissioner of administration to develop provisions, procedures, and directives to define residential remodeling, renovation, installation, and rehabilitation activities that are not lead abatement but may disrupt lead-based paint surfaces. The directives and provisions must define lead-safe procedures for nonlead abatement activities including preparation, cleanup, and disposal procedures. The directives must be based on the level and type of work involved and the potential for lead hazard. The directives must address activities including, but not limited to, painting, remodeling, weatherization, installation of cable, wire, plumbing, and gas, and replacement of doors and windows. The commissioners of health and administration shall consult with representatives of builders, weatherization providers, and housing and redevelopment authorities in developing the directives and procedures.*

Sec. 10. Minnesota Statutes 1992, section 144.874, subdivision 12, is amended to read:

Subd. 12. [ENFORCEMENT AND STATUS REPORT.] The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature biennially, beginning February 15, 1993, including an evaluation of current lead program activities by the state and boards of health, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner. *The commissioner shall include in the report information*

on the status of any work related to lead hazards in paint, dust, and drinking water that is done with federal funding including, but not limited to, the federally funded evaluation of drinking water.

Sec. 11. Minnesota Statutes 1993 Supplement, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose.

(b) The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that the intact paint is on a chewable or lead-dust producing surface that is a known source or reasonably expected to be a source of actual lead exposure to a specific person. *The commissioner shall determine which practices under section 144.874, subdivision 11a, may be used for lead safe work including preparation, cleanup, and disposal procedures.* In adopting rules under this subdivision, the commissioner shall require the best available technology for lead abatement methods, paint stabilization, and repainting.

(b) (c) The commissioner of health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil, unless it is proven that a different standard provides greater protection of public health.

(e) (d) The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods is conducted in a manner that protects public health and the environment.

(d) (e) All standards adopted under this subdivision must provide reasonable margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

(e) (f) No unit of local government may have an ordinance or regulation governing lead abatement methods for lead in paint, dust, or soil for residences and residential land that require a different lead abatement method than the lead abatement standards established under sections 144.871 to 144.879.

(g) *The commissioner shall adopt standards and abatement methods for lead in dust in a manner to protect the public health and the environment.*

Sec. 12. Minnesota Statutes 1993 Supplement, section 144.878, subdivision 5, is amended to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license lead abatement contractors, to certify employees of lead abatement contractors who perform abatement, and to certify lead abatement trainers who provide lead abatement training for

contractors, employees, or other lead abatement trainers. A person who performs painting, renovation, rehabilitation, remodeling, or other residential work that is not lead abatement need not be a licensed lead abatement contractor. By July 1, 1994, a person who performs work that removes intact paint on residences built before February 27, 1978, must determine whether lead sources are present and whether the planned work would be lead abatement as defined in section 144.871, subdivision 2. This determination may be made by quantitative chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. If lead sources are identified, the work must be performed by a licensed lead abatement contractor. An owner of an owner-occupied residence with one or two units is not subject to the requirements under this subdivision. All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. The commissioner shall adopt rules to approve lead abatement training courses and to charge a fee for approval. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committee in the house of representatives and the health care committee in the senate, and to any legislative committee on licensing created by the legislature.

Sec. 13. Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, repair, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds the *United States Environmental Protection Agency's requirement of 260 lineal feet of friable asbestos-containing material asbestos* on pipes, or 160 square feet of friable asbestos-containing material *asbestos* on other facility components; or a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, repair, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes or ducts or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing vinyl floor tiles and sheeting under 160 square feet. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, encapsulation, or repair operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

Sec. 14. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 144.877, is repealed."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 144.871, subdivision 3; and"

Page 1, line 6, after "sections" insert "16B.61, subdivision 3;" and delete "7c" and insert "2"

Page 1, line 7, after "3," insert "9," and delete the second "and"

Page 1, line 8, after "5," insert "and 326.71, subdivision 4;"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

H.F. No. 2143: A bill for an act relating to telecommunications; regulating competitive telephone services and incentive plans; extending expiration dates and making technical changes for certain regulatory provisions; amending Minnesota Statutes 1992, sections 237.161, by adding a subdivision; 237.57, subdivision 4; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, 5, and by adding a subdivision; 237.60, subdivision 2; 237.62, subdivision 1; and 237.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Rules, parts 7815.0700; 7815.0800; 7815.0900; 7815.1000; 7815.1100; 7815.1200; 7815.1300; 7815.1400; and 7815.1500; Laws 1987, chapter 340, section 26; Laws 1989, chapter 74, sections 25 and 27; Laws 1990, chapter 513, section 3; and Laws 1993, chapter 41, section 1.

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

Page 1, after line 18, insert:

"ARTICLE 1"

Page 5, line 24, delete "*or the commission*"

Page 7, line 27, delete "*interested*"

Page 7, line 28, delete "*or the commission*"

Page 14, after line 21, insert:

"ARTICLE 2"

Section 1. Minnesota Statutes 1992, section 325E.26, is amended by adding a subdivision to read:

Subd. 6. [MESSAGE.] "Message" means any call, regardless of its content.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1994."

Amend the title as follows:

Page 1, line 10, delete "and" and before "proposing" insert "and 325E.26, by adding a subdivision;"

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. 2455: A bill for an act relating to health and human services; requiring reimbursement rates paid to community health and public health clinics by a prepaid health plan to equal the medical assistance rates that would be paid directly to these clinics by the commissioner of human services; amending Minnesota Statutes 1992, section 256B.031, subdivisions 10 and 11; Minnesota Statutes 1993 Supplement, section 256.9363, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9, is amended to read:

Subd. 9. [RATE SETTING.] (a) Rates will be prospective, per capita, where possible. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) *Any managed care plan contracting with the department of human services under this section must meet the payment rate requirements set out in section 256B.031, subdivision 10, paragraph (b).*

Sec. 2. Minnesota Statutes 1992, section 256B.031, subdivision 10, is amended to read:

Subd. 10. [IMPACT ON PUBLIC OR TEACHING HOSPITALS AND COMMUNITY HEALTH CLINICS.] (a) Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program, provided the terms of participation in the program are competitive with the terms of other participants.

(b) *Prepaid health plans serving counties with a nonprofit community clinic health clinics or community health services agency agencies must contract with the clinic clinics or agency agencies to provide services to clients who choose to receive services from the clinic or agency; if the clinic or agency agrees to payment rates that are competitive with rates paid to other health plan providers for the same or similar services. Payment rates paid to a community health clinic or a community health services agency must at least equal the medical assistance rates and the general assistance medical care rates currently paid by the commissioner of human services to a community health clinic or a community health services agency for services provided to medical assistance and general assistance medical care recipients not enrolled in a prepaid health plan. For purposes of this section, “community health clinic” refers to clinics meeting the criteria listed in Minnesota Rules, part 9505.0255.*

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for all contracts entered into or renewed on or after the day following final enactment.”

Delete the title and insert:

"A bill for an act relating to health and human services; requiring payment rates paid to community health clinics by a prepaid health plan to equal the medical assistance rates that would be paid directly to the clinics by the commissioner of human services; amending Minnesota Statutes 1992, section 256B.031, subdivision 10; Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2238: A bill for an act relating to claims against the state; requiring verification of certain safety training and standards before payment by the state for injuries suffered by certain claimants supervised by local government agencies; amending Minnesota Statutes 1992, section 3.739, subdivision 2.

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

Page 2, line 24, delete "*heard, decided, and*" and delete "*, if appropriate,*"

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

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

S.F. No. 2493: A bill for an act relating to local government in Pine county; providing for creation of sewer district and a sanitary sewer board to administer the district; providing for collection, treatment, and disposal of sewage in the Cross Lake area.

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

Page 1, delete lines 8 to 20 and insert:

"Section 1. [CROSS LAKE AREA WATER AND SEWER; POWERS TO TAX AND LEVY.]

The Cross Lake area water and sanitary sewer board, in order to implement the powers granted under this act to establish, maintain, and administer the Cross Lake area water and sanitary sewer district, may issue obligations and levy special assessments against benefited property within the limits of the district benefited by facilities constructed pursuant to this act in the manner provided for local governments by Minnesota Statutes, chapter 429.

Sec. 2. [SYSTEM EXPANSION; APPLICATION TO CITIES.]

In the Cross Lake area water and sanitary sewer district, the authority of the water and sanitary sewer board to establish water or sewer or combined water and sewer systems pursuant to this act shall extend to areas of the district organized into cities when requested by"

Page 2, line 10, before "*sanitary*" insert "*water and*"

Page 2, lines 11 and 16, before "*sanitary*" insert "*Cross Lake area water and*"

Page 2, line 15, before "*Sanitary*" insert "*Water and*"

Page 3, lines 14 and 32, before "*sanitary*" insert "*water and*"

Page 3, after line 28, insert:

"Subd. 16. [RESIDENT.] 'Resident' means the owner of a dwelling located in the district and receiving water or sewer service."

Page 3, line 29, before "*SANITARY*" insert "*WATER AND*"

Page 3, line 30, before "*sewer*" insert "*water and*"

Page 3, line 33, before the second "*sewer*" insert "*water and*"

Page 3, line 34, delete "*a*" and insert "*the Cross Lake area water and*"

Page 4, line 5, delete "*five*" and insert "*seven*"

Page 4, line 6, delete "*a member*" and insert "*two members*"

Page 4, line 7, before the first "*board*" insert "*water and sanitary sewer*" and delete "*town*"

Page 4, line 8, delete "*the county board and one selected by*"

Page 4, line 9, delete the first "*one*" and insert "*two*"

Page 4, line 10, delete the third "*two*" and insert "*three*"

Page 4, delete lines 30 and 31 and insert:

"Subd. 6. [QUALIFICATIONS.] One board member representing a town must be a resident of the district and the other member representing that town must be a resident of the township, and each may, but need not be, an elected"

Page 12, line 6, before "*sanitary*" insert "*water and*"

Page 12, line 11, after "*Sec*" insert a period

Page 13, line 22, before "*sanitary*" insert "*water and*"

Page 17, line 15, delete "*access*" and insert "*assess*"

Page 22, line 12, delete "*the*" and insert "*a*"

Page 22, line 13, delete "*state auditor*" and insert "*certified public accountant*"

Page 23, line 10, before "*sanitary*" insert "*water and*"

Page 25, line 4, before "*sanitary*" insert "*water and*"

Page 25, delete lines 33 to 35

Page 25, line 36, delete "*3*" and insert "*2*"

Amend the title as follows:

Page 1, line 2, delete "*in Pine county*"

Page 1, delete line 3 and insert "*for creation of water and sewer district and Cross Lake area water and sanitary sewer*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2617: A bill for an act relating to transportation; establishing and providing for appointments to an advisory council on major transportation projects; appropriating money.

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

Page 1, line 6, delete "STUDY COMMITTEE" and insert "ADVISORY COUNCIL"

Page 1, line 23, delete "15" and insert "17"

Page 1, line 25, delete "six" and insert "eight" and delete "three" and insert "four"

Page 2, line 2, after the comma, insert "*two of which shall be members of the minority party,*" and delete "three" and insert "four"

Page 2, line 3, before the semicolon, insert "*, two of which shall be members of the minority party*"

Page 2, line 5, delete "*metropolitan area*" and insert "state"

Page 2, line 10, delete "*legislative appointee*" and insert "council member"

Page 2, line 16, after "council" insert "*from the highway program administration fund*"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete "; appropriating money"

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. 2819: A bill for an act relating to motor carriers; delaying application and enforcement of rule against class II permit holder owning, leasing, or controlling more than one terminal.

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

Delete everything after the enacting clause and insert:

"Section 1. [CLASS II MOTOR CARRIER CONVERSION.]

A class II permit holder who declared more than one terminal in its permit conversion application under Minnesota Statutes, section 221.152, shall have 60 days from the date of enactment to convert its authority. No actions to

enforce those provisions of Minnesota Statutes, section 221.121, subdivision 6c, may be taken against such motor carrier during that 60-day period. The transportation regulation board shall reconsider conversion applications under this section. All conversions under this section shall be completed by July 1, 1994.

This section expires July 1, 1994.

Sec. 2. [CLASS I ABANDONMENT.]

Failure of a class I carrier to operate for a period of seven consecutive days over any route shall not be deemed to be an abandonment of service and cause for forfeiture under Minnesota Rules, part 7800.1500.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor carriers; extending deadline for conversion of class II permits; defining abandonment of service."

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

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

S.F. No. 2119: A bill for an act relating to transportation; requiring understandable notice of requirements for appealing town road damage awards; amending Minnesota Statutes 1992, section 164.07, subdivision 6.

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

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

S.F. No. 2634: A bill for an act relating to economic development; regulating community action agencies; amending Minnesota Statutes 1992, sections 268.53, subdivision 5; and 466.01, subdivision 1.

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

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

S.F. No. 2362: A bill for an act relating to statewide comprehensive land use planning coordination; appropriating money; amending Minnesota Statutes 1992, sections 116C.04, by adding a subdivision; 462.357, subdivision 2; and 473.858, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 4A; proposing coding for new law as Minnesota Statutes, chapter 462D.

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

Delete everything after the enacting clause and insert:

"Section 1. [SUSTAINABLE ECONOMIC DEVELOPMENT AND ENVIRONMENTAL PROTECTION TASK FORCE; STAFF.]

Subdivision 1. [PURPOSE; TASK FORCE MEMBERSHIP.] In order to build a consensus on how to achieve the sustainable economic development and environmental protection goals of the environmental quality board sustainable development initiative throughout the state, the sustainable economic development and environmental protection task force is established. The task force consists of 15 members who serve at the pleasure of the appointing authority as follows:

(1) four legislators, including two members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and two members of the house of representatives appointed by the speaker of the house; and

(2) eleven public members who are residents of the state, appointed by the chair of the environmental quality board. Of the eleven members appointed by the chair of the environmental quality board, at least one member shall represent towns, one member shall represent cities, and one member shall represent counties.

Subd. 2. [CHAIRS.] The legislative appointing authorities shall designate a legislative appointee to serve as co-chair of the task force and the chair of the environmental quality board shall designate one of the nine public members as the other co-chair.

Subd. 3. [STAFF.] The environmental quality board shall provide coordination and staff support for the task force.

Subd. 4. [SUNSET.] The task force shall expire on January 1, 1995.

Sec. 2. [DUTIES.]

The task force shall research and recommend:

(1) what policies or goals are of statewide interest relating to sustainable communities and land use that should guide decision making at state, regional, and local levels;

(2) what planning framework and process will enhance collaboration at all levels to help achieve the goals; and

(3) how the planning framework will incorporate the following nonexclusive list of issues: sustainable economic development, protection of natural resources, urban-rural linkages, and citizen involvement.

Sec. 3. [PUBLIC INVOLVEMENT.]

The environmental quality board and the task force shall ensure extensive, broad-based involvement of citizens and both public and private sectors in the recommendations. The environmental quality board may contract with facilitators or other consultants to help ensure extensive public participation and to help incorporate public comments into the process.

Sec. 4. [REPORT.]

By January 1, 1995, the environmental quality board and the task force

shall submit to the governor and the legislature a report of the task force's and the board's findings and recommendations for legislation.

Sec. 5. [APPROPRIATION.]

\$75,000 is appropriated from the general fund to the environmental quality board for the purposes of this act, to be available until expended."

Delete the title and insert:

"A bill for an act relating to statewide comprehensive land use planning coordination; providing for a sustainable economic development and environmental protection task force; providing membership, duties, and public involvement; requiring a report; appropriating money."

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

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

S.F. No. 2161: A bill for an act relating to alcoholic beverages; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties; amending Minnesota Statutes 1992, sections 340A.101, subdivision 13; 340A.308; 340A.404, subdivisions 6 and 10; 340A.405, subdivision 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; and 340A.416, subdivision 3; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapter 340A.

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 221.011, is amended by adding a subdivision to read:

Subd. 46. [DISTILLED SPIRITS AND WINE CARRIER.] "Distilled spirits and wine carrier" means a person engaged in transporting distilled spirits or wine as defined in section 340A.101, subdivisions 9 and 29, other than the holder of a valid retailer's identification card carrying only the holder's own alcoholic beverages authorized by chapter 340A.

Sec. 2. Minnesota Statutes 1992, section 221.121, subdivision 1, is amended to read:

Subdivision 1. [PETITION; NOTICE AND HEARING; SCOPE.] (a) A person desiring to operate as a permit carrier, except as provided in subdivision 5 or 6h or section 221.296, shall file a petition with the

commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. Letters of shipper support must be filed with the petition. No person shall knowingly make a false or misleading statement in a petition.

(b) The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291.

(c) A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers.

(d) No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 3. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [DISTILLED SPIRITS AND WINE CARRIER.] A person desiring to operate as a distilled spirits and wine carrier shall apply for a special permit with the commissioner of public safety, specifying the name and address of the applicant and the names and addresses of the officers, if a corporation, and other information as the commissioner may require. The carrier shall pay a fee of \$20 for each permit per vehicle per year. The holder of a distilled spirits and wine carrier permit is subject to section 340A.907.

Sec. 4. Minnesota Statutes 1992, section 325B.02, is amended to read:

325B.02 [NO INDUCEMENT OR COERCION.]

No brewer shall:

(1) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to accept delivery of any alcoholic beverage or any other commodity which shall not have been ordered by the beer wholesaler.

(2) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to

do any illegal act or thing by threatening to amend, cancel, terminate, or refuse to renew any agreement existing between a brewer and a beer wholesaler.

(3) Require a wholesaler to assent to any condition, stipulation or provision limiting the wholesaler's right to sell the product of any other brewer anywhere in the state of Minnesota, provided that the acquisition of the product of another brewer does not materially impair the quality of service or quantity of sales of the existing brand or brands of the brewer seeking to impose the condition, stipulation or provision.

(4) *Refuse to supply, in reasonable quantities and within a reasonable time after receipt of the wholesaler's order, beer ordered by a wholesaler who has an agreement with the brewer for sale and distribution of the brewer's beer, unless the refusal to supply is due to:*

(i) *the brewer's prudent and reasonable restrictions on extension of credit to the wholesaler;*

(ii) *weather or other natural events;*

(iii) *a work stoppage or delay resulting from a strike or other labor dispute;*

(iv) *a bona fide shortage of materials;*

(v) *a freight embargo; or*

(vi) *any other cause over which the brewer or the brewer's agents have no control.*

Sec. 5. [325B.031] [BRANDS; BRAND EXTENSIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(a) *"Brand" is any word, name, group of letters, symbol, or combination thereof, that is adopted and used by a brewer or importer to identify a specific beer product, and to distinguish that beer product from another beer product.*

(b) *"Brand extension" is any brand that (1) incorporates all or a substantial part of the unique features of a preexisting brand of the same brewer or importer, and (2) which relies to a significant extent on the goodwill associated with that preexisting brand.*

Subd. 2. [BRAND EXTENSION TO BE ASSIGNED.] A brewer or importer who assigns a brand extension to a wholesaler must assign the brand extension to the wholesaler to whom the brewer or importer granted the exclusive sales territory to the brand from which the brand extension resulted. This requirement does not apply to assignments of brand extensions to wholesalers that were made by a brewer or importer before the effective date of this section.

Subd. 3. [ADDITIONAL BRAND EXTENSION.] In the event that prior to the effective date of this section a brewer or importer had assigned a brand extension to a wholesaler who was not the appointed wholesaler for the brand from which the brand extension was made, then any additional brand extension must be assigned to the wholesaler who first had the brand.

Sec. 6. Minnesota Statutes 1992, section 325B.04, is amended to read:

325B.04 [CANCELLATION TERMINATION OF AGREEMENTS.]

Subdivision 1. [TERMINATIONS.] Notwithstanding the terms, provisions or conditions of any agreement, no brewer shall amend, cancel, terminate or refuse to continue to renew any agreement, or cause a wholesaler to resign from an agreement, unless good cause exists for amendment, termination, cancellation, nonrenewal, noncontinuation or causing a resignation. "Good cause" shall not include the sale or purchase of a brewer. "Good cause" shall include, but not be limited to, the following:

- (1) Revocation of the wholesaler's license to do business in the state;
- (2) Bankruptcy or insolvency of the wholesaler;
- (3) Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler;
- (4) Failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed upon the wholesaler by the brewer; the brewer:

(1) has satisfied the notice and opportunity to cure requirements of section 325B.05;

(2) has acted in good faith; and

(3) has good cause for the cancellation, termination, nonrenewal, discontinuance, or forced resignation.

Subd. 2. [GOOD CAUSE.] For purposes of subdivision 1:

(a) "Good cause" includes, but is not limited to, the following:

(1) revocation of the wholesaler's license under section 340A.304;

(2) the wholesaler's bankruptcy or insolvency;

(3) assignment of the assets of the wholesaler for the benefit of creditors, or a similar disposition of the wholesaler's assets; or

(4) a failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed on the wholesaler by the brewer, where the failure was discovered by the brewer not more than one year before the date on which the brewer gave notice to the wholesaler under section 325B.05.

(b) "Good cause" does not include the sale or purchase of a brewer.

Sec. 7. Minnesota Statutes 1992, section 325B.05, is amended to read:

325B.05 [NOTICE OF INTENT TO TERMINATE.]

Except as provided in this section, a brewer shall provide a wholesaler at least 90 days prior written notice of any intent to amend, terminate, cancel or not renew any agreement. The notice shall state all the reasons for the intended amendment, termination, cancellation or nonrenewal. The wholesaler shall have 90 days in which to rectify any claimed deficiency. If the deficiency shall be rectified within 90 days of notice, then the proposed amendment, termination, cancellation or nonrenewal shall be null and void and without legal effect. The notice provisions of this section shall not apply if the reason for the amendment, termination, cancellation, or nonrenewal is:

- (1) The bankruptcy or insolvency of the wholesaler.

(2) An assignment for the benefit of creditors or similar disposition of the assets of the business.

(3) Revocation of the wholesaler's license.

(4) Conviction or a plea of guilty or no contest to a charge of violating a law relating to the business that materially affects the wholesaler's ability to remain in business.

Subdivision 1. [NOTICES; TIME LIMIT.] (a) Notwithstanding any provision to the contrary in any agreement between a brewer and a wholesaler, a brewer who intends to terminate, cancel, discontinue, or refuse to renew an agreement with a wholesaler must furnish written notice to that effect to the wholesaler not less than 90 days before the effective date of the intended action and must provide the wholesaler with a bona fide opportunity to substantially cure any claimed deficiency within the 90 days.

(b) The notice must be sent by certified mail and must contain, at a minimum, (1) the effective date of the intended action, and (2) a statement of the nature of the intended action and the brewer's reasons therefor.

(c) In no event may a termination, cancellation, discontinuance, or nonrenewal be effective until at least 90 days from the wholesaler's receipt of written notice under this section, unless the wholesaler has consented in writing to a shorter period.

Subd. 2. [NOTICES; OTHER PROVISIONS.] Notwithstanding subdivision 1 or section 325B.04, a brewer may terminate or refuse to renew an agreement on not less than 15 days' written notice to the wholesaler, upon any of the following occurrences:

(1) the bankruptcy or insolvency of the wholesaler;

(2) an assignment of the wholesaler's assets for the benefit of creditors, or a similar disposition of those assets;

(3) revocation of the wholesaler's license under section 340A.304; or

(4) conviction or a plea of guilty or no contest to a charge of violating any state or federal law, where the violation materially affects the wholesaler's right to remain in business. A notice under this subdivision must meet the requirements of subdivision 1, paragraph (b).

Sec. 8. Minnesota Statutes 1992, section 325B.12, is amended to read:

325B.12 [NO DISCRIMINATION.]

Subdivision 1. [DISCRIMINATION PROHIBITED.] No brewer shall discriminate among its wholesalers in any business dealings including, but not limited to, the price of beer sold to the wholesaler, unless the classification among its wholesalers is based upon reasonable grounds.

Subd. 2. [SALES; REBATES.] No brewer may:

(1) sell or offer to sell any beer to any Minnesota wholesaler at a price lower than the actual price offered to any other Minnesota wholesaler for the same product;

(2) utilize any method, including but not limited to, sales promotion plans or programs, that results in a different price being paid by wholesalers for the same product, or in a fixed price predetermined solely by the brewer; or

(3) utilize any rebate plan or program in connection with the sale of beer to a Minnesota wholesaler.

Sec. 9. Minnesota Statutes 1992, section 340A.101, subdivision 13, is amended to read:

Subd. 13. [HOTEL.] "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

- (1) ~~a resident proprietor or manager;~~
- (2) a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; and
- (3) (2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, 25; in all other cities *and unincorporated areas*, 10.

Sec. 10. Minnesota Statutes 1992, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

- (a) Manufacturers (except as provided in clauses (b) and (c))

\$15,000
Duplicates
\$ 3,000
- (b) Manufacturers of wines of not more than 25 percent alcohol by volume

\$ 500

- (c) Brewers other than those described in ~~clause~~ clauses (d) and (i)

\$ 2,500

- (d) Brewers who also hold a retail on-sale license and who manufacture fewer than ~~2,000~~ 3,500 barrels of malt liquor in a year, *except as provided in subdivision 10*, the entire production of which is solely for consumption on tap on the licensed premises

\$ 500

- (e) Wholesalers (except as provided in clauses (f), (g), and (h))

\$15,000
Duplicates
\$ 3,000
- (f) Wholesalers of wines of not more than 25 percent alcohol by volume

\$ 2,000

- (g) Wholesalers of intoxicating malt liquor

\$ 600
Duplicates
\$ 25
- (h) Wholesalers of 3.2 percent malt liquor

\$ 10

- (i) *Brewers who manufacture fewer than 2000 barrels of malt liquor in a year*

\$ 150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness

of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 11. Minnesota Statutes 1992, section 340A.301, is amended by adding a subdivision to read:

Subd. 10. [BREWERY-RESTAURANTS; PERMITS.] A licensed brewer of malt liquor described in subdivision 6, clause (d), may apply to the commissioner for a permit to manufacture more than 3,500 barrels of malt liquor in a calendar year. The commissioner shall issue the permit if the commissioner determines that (1) the brewer will manufacture at least 3,500 barrels of malt liquor in that year, and (2) all malt liquor manufactured by the brewer will be consumed on the licensed premises only. The permit authorizes the permit holder to manufacture more than 3,500 barrels of malt liquor in the year in which the permit is issued, for consumption on the licensed premises only. A permit under this subdivision expires on December 31 of the year of issuance.

Sec. 12. Minnesota Statutes 1992, section 340A.307, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] Nothing in this section applies to:

- ~~(a)~~ (1) wine or malt liquor of any alcohol content; ~~or~~
- ~~(b)~~ (2) intoxicating liquor which is:
 - ~~(1)~~ (i) further distilled, refined, rectified, or blended within the state; and
 - ~~(2)~~ (ii) bottled within the state and labeled with the importer's own labels after importation into the state; or
- (3) any brand of intoxicating liquor which is offered for sale only in this state.

Sec. 13. Minnesota Statutes 1992, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

- (1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;
- (2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail; ~~or~~

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; *or*

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

Sec. 14. Minnesota Statutes 1993 Supplement, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) ~~a person not a citizen of the United States or a resident alien;~~

(2) ~~a person under 21 years of age;~~

~~(3)~~ (2) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

~~(4)~~ (3) a person not of good moral character and repute; or

~~(5)~~ (4) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 15. Minnesota Statutes 1992, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, ~~or~~ club, *or hotel* with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months.

Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 16. Minnesota Statutes 1992, section 340A.404, subdivision 10, is amended to read:

Subd. 10. [TEMPORARY ON-SALE LICENSES.] The governing body of a municipality may issue to a club or charitable, religious, or other nonprofit organization in existence for at least three years, *or to a political committee registered under section 10A.14*, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than three consecutive days, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

Sec. 17. Minnesota Statutes 1992, section 340A.405, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue with the approval of the commissioner, an off-sale intoxicating liquor license to an exclusive liquor store ~~or to a drugstore~~. A city of the first class may issue an off-sale license to a general food store *or a drugstore* to which an off-sale license had been issued on ~~August 1, 1989~~ May 1, 1994.

Sec. 18. Minnesota Statutes 1992, section 340A.405, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY OFF-SALE LICENSES; WINE AUCTIONS.] (a) The governing body of a city *or county* may issue a temporary license for the off-sale of wine at an auction with the approval of the commissioner. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by the issuing city *or county*. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable.

(b) As used in the subdivision, "vintage wine" means bottled wine which is at least five years old.

Sec. 19. Minnesota Statutes 1992, section 340A.410, is amended by adding a subdivision to read:

Subd. 10. [TEMPORARY LICENSES; RESTRICTION ON NUMBER.] A municipality may not issue more than three temporary licenses for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period. This restriction applies to temporary licenses issued under sections 340A.403, subdivision 2, and 340A.404, subdivision 10.

Sec. 20. Minnesota Statutes 1992, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] (a) A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.

(b) A municipality may not allow the same business name to be used by more than one of its off-sale intoxicating liquor licensees.

(c) For purposes of this subdivision, "person" means:

(1) a holder of an off-sale intoxicating liquor license;

(2) an officer, director, agent, or employee of a holder of an off-sale intoxicating liquor license; or

(3) an affiliate of a holder of an off-sale intoxicating liquor license, regardless of whether the affiliation is corporate or by management, direction, or control.

Sec. 21. Minnesota Statutes 1993 Supplement, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.]

The authority issuing any retail license or permit under this chapter or the commissioner shall either suspend for up to 60 days or revoke the license or permit or impose a civil penalty not to exceed \$2,000 for each violation. On a finding that the license or permit holder has (1) sold alcoholic beverages to another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from another retail licensee for the purpose of resale, (3) conducted or permitted the conduct of gambling on the licensed premises in violation of the law, (4) failed to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages, the commissioner or the authority issuing a retail license or permit under this chapter may revoke the license or permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to \$2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license or permit holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearings. Imposition of a penalty or suspension by either the issuing authority or the commissioner does not preclude imposition of an additional penalty or suspension by the other so long as the total penalty or suspension does not exceed the stated maximum.

Sec. 22. Minnesota Statutes 1992, section 340A.416, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF ELECTION RESULTS.] If a majority of persons voting on the referendum question ~~the~~ vote "against license," the city may not issue intoxicating liquor licenses until the results of the referendum have been reversed at a subsequent election where the question has been submitted as provided in this section.

Sec. 23. [340A.418] [WINE TASTINGS.]

Subdivision 1. [DEFINITION.] For purposes of this section, a "wine tasting" is an event of not more than four hours' duration at which persons pay a fee or donation to participate, and are allowed to consume wine by the glass without paying a separate charge for each glass.

Subd. 2. [TASTINGS AUTHORIZED.] (a) A charitable, religious, or other nonprofit organization may conduct a wine tasting on premises the organization owns or leases, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, only if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section.

(b) An organization that conducts a wine tasting under this section may use the net proceeds from the wine tasting only for the organization's primary charitable, religious, or other nonprofit purpose.

(c) No wine at a wine tasting under this section may be sold or orders taken for off-premises consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine for a wine tasting conducted under this section from a wholesaler licensed to sell wine, and the wholesaler may sell or give wine to an organization for a wine tasting conducted under this section and may provide personnel to assist in the wine tasting. A wholesaler who sells or gives wine to an organization for a wine tasting under this section must deliver the wine directly to the location where the wine tasting is conducted.

Sec. 24. Minnesota Statutes 1992, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.

Sec. 25. [340A.5071] [COUPONS PROHIBITED.]

A retailer of alcoholic beverages may not accept as full or partial payment for any product any coupons that are redeemed directly or indirectly from a manufacturer or wholesaler of alcoholic beverages.

Sec. 26. Minnesota Statutes 1992, section 340A.907, is amended to read:
340A.907 [INSPECTION.]

The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer. *For a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10, or a holder of a distilled spirits and wine permit under section 221.121, subdivision 6h, the commissioner's authority under this section extends for two years beyond the expiration of the temporary license or the permit.*

Sec. 27. [ST. LOUIS COUNTY; OFF-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (c), the St. Louis county board may issue one off-sale intoxicating liquor license to a premises located in Embarrass township.

Sec. 28. [ST. PAUL; LICENSE AUTHORIZED.]

Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the college of St. Catherine catering service for the sale of wine and 3.2 percent malt liquor at O'Shaughnessy auditorium and St. Joseph's hall on the campus of the college of St. Catherine. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending social events or performances at O'Shaughnessy auditorium or St. Joseph's hall. The license authorized by this section is in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 29. [EDEN PRAIRIE; ON-SALE LICENSES.]

The Eden Prairie city council may issue eight on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 30. [EAGAN; LICENSES AUTHORIZED.]

The city of Eagan may issue not more than three on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 31. [CLAY COUNTY; OFF-SALE LICENSE.]

Notwithstanding any state or local law or charter provision, the Clay county board may issue one off-sale intoxicating liquor license to a premises located in Elkton township. The license is subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 32. [EFFECTIVE DATE.]

Section 10 is effective the day following final enactment. Section 27 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 28 is effective on approval by the St. Paul city council and compliance with section 645.021, subdivision 3. Section 29 is effective on approval by the Eden Prairie city council and compliance with section 645.021. Section 30 is effective on approval by the Eagan city council and compliance with section 645.021, subdivision 3. Section 31 is effective on approval by the Clay county board and compliance with section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties; amending Minnesota Statutes 1992, sections 221.011, by adding a subdivision; 221.121, subdivision 1, and by adding a subdivision; 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivision 6, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1 and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.504, subdivision 2; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A."

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

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

S.F. No. 365: A bill for an act relating to local government; providing procedures and criteria for municipal annexations; providing for the application of city development regulations; amending Minnesota Statutes 1992, sections 414.01, subdivision 14, and by adding a subdivision; 414.031, subdivision 4; 414.0325, subdivisions 1, 1a, and by adding a subdivision; 414.033, subdivisions 2, 2a, 3, 5, and by adding subdivisions; 414.035; 414.061, subdivision 5; 414.07, subdivision 1; 414.09, subdivisions 1 and 2; 462.357, subdivision 1; and 462.358, subdivision 1a.

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 414.01, subdivision 14, is amended to read:

Subd. 14. When a board order enlarges or diminishes the area of an existing

municipality or town, the population of the annexed or detached area shall be as found by the board at its hearing or, *in cases in which no hearing by the board for the boundary change is required, as stated in the resolution or ordinance.* The effective date of the population change shall be the same as the effective date of the order *whether or not the order is from a hearing or from the approval of an annexation resolution or ordinance.* The board shall communicate its population finding to the state demographer who shall incorporate that data into the population estimate for the municipality or town. When a new municipality is created by an order of the board, the municipality shall request a separation census from the United States bureau of the census and bear any costs incurred.

Sec. 2. Minnesota Statutes 1992, section 414.01, is amended by adding a subdivision to read:

Subd. 17. [DATA FROM STATE AGENCIES.] The board may request information from any state department or agency in order to assist it to carry out its duties. The department or agency shall promptly furnish the requested information to the board.

Sec. 3. Minnesota Statutes 1992, section 414.031, subdivision 4, is amended to read:

Subd. 4. [BOARD'S ORDER.] In arriving at its decision, the board shall consider the following factors:

(a) Present population, past population growth and projected population of the property proposed for annexation and the annexing municipality;

(b) Quantity of land within the property proposed for annexation and the annexing municipality; and natural terrain including general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

(c) Degree of contiguity of the boundaries between the annexing municipality and the property proposed for annexation;

(d) Present pattern of physical development of the property proposed for annexation and the annexing municipality including residential, industrial, commercial, agricultural and institutional land uses; the present transportation network and potential transportation issues, including proposed highway development;

(e) Land use controls and planning presently being utilized in the annexing municipality and the property proposed for annexation, including comprehensive plans for development in the area and plans and policies of the metropolitan council. If there is an inconsistency between the proposed development and the land use planning ordinance in force, the reason for the inconsistency;

(f) Present governmental services being provided in the annexing municipality and the property proposed for annexation, including water and sewer service, fire rating and protection, police protection, street improvements and maintenance, administrative services, and recreational facilities;

(g) Existing or potential problems of environmental pollution and the need for additional services to resolve these problems;

(h) Plans and programs by the annexing municipality for providing needed governmental services to the property proposed for annexation;

(i) Fiscal data of the annexing municipality and the property proposed for annexation, including net tax capacity and the present bonded indebtedness, and the local tax rates of the county, school district, and township;

(j) Relationship and effect of the proposed annexation on communities adjacent to the area and on school districts within and adjacent to the area;

(k) Adequacy of town government to deliver services to the property proposed for annexation;

(l) Analysis of whether necessary governmental services can best be provided through incorporation, or annexation to an adjacent municipality; and

(m) If only a part of a township is annexed, the ability of the remainder of the township to continue or the feasibility of it being incorporated separately or being annexed to another municipality.

Based upon these factors, the board ~~may~~ *shall* order the annexation (a) if it finds that the property proposed for annexation is now, or is about to become, urban or suburban in character, or (b) if it finds that municipal government in the area proposed for annexation is required to protect the public health, safety, and welfare, or (c) if it finds that the annexation would be in the best interest of the property proposed for annexation. If only a part of a township is to be annexed, the board shall consider whether the remainder of the township can continue to carry on the functions of government without undue hardship. *Despite making an affirmative finding in factor (a), (b), or (c), the board shall deny the annexation if it finds that the increase in revenues for the annexing municipality bears no reasonable relation to the monetary value of benefits conferred upon the annexed area. The board may, however, deny the annexation (a) if it appears that annexation of all or a part of the property to an adjacent municipality would better serve the interests of the residents of the property or (b) if the remainder of the township would suffer undue hardship.*

The board may alter the boundaries of the area to be annexed by increasing or decreasing the area so as to include only that property which is now or is about to become urban or suburban in character or to add property of such character abutting the area proposed for annexation in order to preserve or improve the symmetry of the area, or to exclude property that may better be served by another unit of government. If the board determines that part of the area would be better served by another municipality or township, the board may initiate and approve annexation on its own motion by conducting further hearings and issuing orders pursuant to subdivisions 3, 4, and 5. In all cases, the board shall set forth the factors which are the basis for the decision.

Sec. 4. Minnesota Statutes 1992, section 414.0325, subdivision 1a, is amended to read:

Subd. 1a. [ORDERLY ANNEXATION BY PETITION.] If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 60 days of the request. Any person

aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.

At least 30 days before a petition is filed for annexation under this subdivision or section 414.033, the petitioner must be notified by the municipality that the cost of utility service to the petitioner may change if the land is annexed to the municipality. *If the city determines it can make a reasonable estimate of the change in cost, the notice must include an estimate of the cost impact of any change in utility services, including rate changes and assessments, resulting from the annexation.*

Sec. 5. Minnesota Statutes 1992, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

- (1) the land is owned by the municipality;
- (2) the land is completely surrounded by land within the municipal limits;
or
- (3) the land abuts the municipality and the area to be annexed is 60 acres or less, and the municipality receives a petition for annexation from all the property owners of the land; or
- (4) *the land has been approved by a preliminary plat or final plat for subdivision to provide residential lots that average 21,780 square feet or less in area and the land is located within two miles of the municipal limits.*

Sec. 6. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 2b. [NOTICE REQUIRED.] Before a municipality may adopt an ordinance under subdivision 2, clause (3) or (4), or subdivision 2a, a municipality must hold a public hearing and give 30 days' written notice by certified mail to townships affected by the proposed ordinance and to all landowners within and contiguous to the area to be annexed.

Sec. 7. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 11. The municipality may, before adoption of the ordinance or board order, expand the proposed annexation area to include contiguous parcels if a petition is received signed by all the affected property owners.

Sec. 8. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 12. When a municipality declares land annexed to the municipality under subdivision 2, clause (3), or subdivision 2a, and the land is within a designated flood plain, as provided by section 103F.111, subdivision 4, or a shoreland area, as provided by section 103F.205, subdivision 4, the municipality shall adopt or amend its land use controls to conform to chapter 103F, and any new development of the annexed land shall be subject to chapter 103F.

Sec. 9. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 13. When a municipality annexes land under subdivision 2, clause (3) or (4), or subdivision 2a, property taxes payable on the annexed land shall continue to be paid to the affected township or townships for the year in which the annexation becomes effective. Thereafter, property taxes on the annexed land shall be paid to the municipality. In the first year following the year the land is annexed, the municipality shall make a cash payment to the affected township in an amount equal to two-thirds of the amount of property taxes paid to the township in the year the land was annexed. In the second year following the year the land is annexed, the municipality shall make a cash payment to the affected township in an amount equal to one-third of the amount of property taxes paid to the township in the year the land was annexed.

Sec. 10. Minnesota Statutes 1992, section 414.061, subdivision 5, is amended to read:

Subd. 5. [PROPERTY OWNER INITIATION.] Property owners may initiate proceedings for the concurrent detachment of their property from one municipality and its annexation to an adjacent municipality by a petition signed by all of them that they submit to the board accompanied by a resolution of the city council of at least one of the affected municipalities. The board shall conduct hearings and issue its order as in the case of consolidations of two or more municipalities under sections 414.041, subdivision 5 and 414.09.

Sec. 11. Minnesota Statutes 1992, section 414.07, subdivision 1, is amended to read:

Subdivision 1. [ORDERS OF BOARD, TIME LIMITATION.] All orders of the board shall be issued within ~~two years~~ 180 days from the date of the first hearing thereon provided that the time may be extended for a fixed additional period upon consent of all parties of record. Failure to so order shall be deemed to be an order denying the matter before the board. An appeal may be taken from such failure to so order in the same manner as an appeal from an order as provided in subdivision 2.

Sec. 12. Minnesota Statutes 1992, section 414.09, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS.] Proceedings initiated by the submission of an initiating document or by the board of its own motion shall come on for hearing within 30 to ~~120~~ 90 days from receipt of the document by the board or from the date of board action and the board must submit its order no later than 180 days from the date of the first hearing. In any proceeding before the board and upon the request of any party, the board shall meet physically rather than by means of electronic media. The place of the hearing shall be in the county where a majority of the affected territory is situated, and shall be established for the convenience of the parties. The executive director shall mail notice of the hearing to the following parties: the township or municipality presently governing the affected territory; any township or municipality abutting the affected territory; the county where the affected territory is situated; and each planning agency which has jurisdiction over the affected area. The executive director shall cause notice of the hearing to be published for two successive weeks in a legal newspaper of general circulation in the

affected area. When the board exercises its authority to change the boundaries of the affected area so as to increase the quantity of the land, the hearing shall be recessed and reconvened upon two weeks published notice in a legal newspaper of general circulation in the affected area.

Sec. 13. Minnesota Statutes 1992, section 414.09, subdivision 2, is amended to read:

Subd. 2. [TRANSMITTAL OF BOARD'S ORDER.] The executive director shall cause copies of the board's order to be mailed to all parties entitled to mailed notice of hearing under subdivision 1, the secretary of state, the department of revenue, the state demographer, individual property owners if initiated in that manner, *affected county auditor*, and any other party of record. *The affected county auditor shall record the order against the affected property.*

Sec. 14. [JOINT PLANNING; SUBDIVISION REGULATIONS.]

Notwithstanding Minnesota Statutes, section 462.358, subdivision 1a, a municipality shall not, until July 1, 1996, extend the application of its subdivision regulations to unincorporated territory located within two miles of its limits in any direction, unless the subdivision regulations have been approved by all of the members of a joint planning board established under Minnesota Statutes, section 462.3585.

Sec. 15. [REPORT TO LEGISLATURE.]

The office of strategic and long-range planning shall establish criteria for defining "urban or suburban in character," as the term is used in Minnesota Statutes, chapter 414, and report the criteria to the legislature by February 1, 1995."

Delete the title and insert:

"A bill for an act relating to local government; providing procedures and criteria for municipal annexations; providing for the application of city development regulations; amending Minnesota Statutes 1992, sections 414.01, subdivision 14, and by adding a subdivision; 414.031, subdivision 4; 414.0325, subdivision 1a; 414.033, subdivision 2, and by adding subdivisions; 414.061, subdivision 5; 414.07, subdivision 1; and 414.09, subdivisions 1 and 2."

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

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

S.F. No. 2420: A bill for an act relating to taxes; making tax policy, collections, and administrative changes; amending Minnesota Statutes 1992, sections 168.011, subdivision 8; 168.012, subdivision 9; 169.86, subdivision 1; 239.05, subdivision 10a; 239.761, subdivision 3; 270.052; 270.0605; 270.10, by adding a subdivision; 270.60, subdivisions 1 and 2; 270.69, subdivision 4, and by adding a subdivision; 270.70, subdivision 2; 270.71; 270.72, subdivision 1; 270B.02, subdivisions 3 and 5; 270B.03, subdivision 1; 270B.12, subdivision 3, and by adding a subdivision; 270B.14, by adding a subdivision; 273.12; 289A.37, subdivision 1; 289A.60, by adding subdivisions; 290.01, subdivision 3a; 290A.08; 290A.18, subdivision 2; 296.01,

subdivisions 14, 18, 19, 20, 32, 34, and by adding subdivisions; 296.02, subdivision 1; 296.025, subdivision 1, and by adding a subdivision; 296.06, subdivision 2; 296.12, subdivisions 1, 2, 3, 4, 5, 8, 10, and 11; 296.15, subdivisions 2, 4, 5, and 6; 296.16, subdivision 2; 296.165, subdivision 1; 296.25, subdivision 1, and by adding a subdivision; 297.03, subdivision 7; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding a subdivision; 297A.44, subdivision 4; 297B.01, subdivision 8; 297C.03, subdivision 6; 297C.13, subdivision 1; and 473.446, subdivision 1; Minnesota Statutes 1993 Supplement, sections 116.07, subdivision 10; 270.06; 270.41, subdivision 5; 270B.01, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 16; 273.124, subdivision 13; 275.065, subdivision 6; 289A.11, subdivision 1; 289A.18, subdivision 4; 289A.20, subdivision 4; 290.01, subdivision 19; 290A.04, subdivision 2h; 297A.01, subdivisions 3, 15, and 16; 297A.07, subdivision 1; and 297A.25, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 270; 296; and 297; repealing Minnesota Statutes 1992, sections 270.0604, subdivision 6; 296.03; 296.15, subdivision 3; and 297A.07, subdivision 2.

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

Page 2, line 8, after "width" insert "*in travel mode*"

Page 3, delete section 3

Pages 5 to 7, delete section 7 and insert:

"Sec. 6. Minnesota Statutes 1993 Supplement, section 273.11, subdivision 16, is amended to read:

Subd. 16. [VALUATION EXCLUSION FOR CERTAIN IMPROVEMENTS.] Improvements to homestead property made before January 2, 2003, shall be fully or partially excluded from the value of the property for assessment purposes provided that the house is at least 35 years old at the time of the improvement. *The age of a residence is the number of years that the residence has existed at its present site.* In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued ~~covering~~ *prior to commencement* of the improvement. If the property lies in a jurisdiction which is not subject to a building permit process, ~~the~~ *an application must be made to the assessor prior to commencement of the improvement.* Any improvement must add at least \$1,000 to the value of the property *to be eligible for exclusion under this subdivision.* Only improvements to the structure which is the residence of the qualifying homesteader or ~~the~~ *construction of or improvements to no more than one two-car garage per residence* qualify for the provisions of this subdivision. *If an improvement was begun between January 2, 1992, and January 2, 1993, any value added from that improvement for the January 1994 and subsequent assessments shall qualify for exclusion under this subdivision provided that a building permit was obtained for the improvement between January 2, 1992, and January 2, 1993.* Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the assessor of the possibility of valuation exclusion under this subdivision. The assessor may require an application

process and documentation of the age of the house from the owner, if unknown. *If an application is required by the county or the local taxing jurisdiction in which the property is located, the application may be filed subsequent to the date of the building permit provided that the application is filed prior to the next assessment date. After the adjournment of the 1994 county board of equalization meetings, no exclusion may be granted for an improvement by a local board of review or county board of equalization unless a building permit was issued or application was completed prior to the commencement of the improvement. No abatement of the taxes for qualifying improvements may be granted by a county board unless a building permit was issued or application completed prior to commencement of the improvement.*

The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made, at which time an amount equal to 20 percent of the qualifying value shall be added back in each of the five subsequent assessment years. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision. *Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.*

The total qualifying value for a homestead may not exceed \$50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed \$25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The \$25,000 and \$50,000 maximum qualifying value under this ~~section~~ *subdivision* may result from up to three separate improvements to the homestead. *If more than three improvements are made to the qualifying property, the taxpayer may choose which three improvements are eligible, provided that after the choice has been made and valuation attributable to the improvement has been excluded from taxation, no change can be made.*

If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value on property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under the homestead disaster provisions under section 273.123 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, 1993, increase the size of the structure by 100 percent or more, the valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision."

Page 13, line 3, delete "The"

Page 13, delete line 4

Page 13, line 5, delete everything before "The"

Page 13, after line 10, insert:

"The time and place of the subsequent hearing must be announced at the initial public hearing or at the continuation hearing."

Pages 15 to 17, delete section 11 and insert:

"Sec. 10. Minnesota Statutes 1993 Supplement, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality, the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), school district excess referenda levy, remaining school district levy, and the total of other voter approved referenda levies based on market value under section 275.61 must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. *The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.* The statement shall include the following sentence, printed in upper case letters in boldface print: **"THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."**

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's taxable market value after reductions under sections 273.11, subdivisions 1a and 16;

(3) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(4) a total of the following aids:

- (i) education aids payable under chapters 124 and 124A;
- (ii) local government aids for cities, towns, and counties under chapter 477A; and
- (iii) disparity reduction aid under section 273.1398;

(5) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1."

Page 17, after line 34, insert:

"Sec. 13. [384.19] [STATEMENT OF UNPAID TAXES.]

Upon request of any person, the county auditor shall search the official records of the office to determine if unpaid property taxes exist for any parcels of land listed in the request. The county auditor shall certify the results of the search for each parcel by showing the amount of tax unpaid for each year. For this purpose "tax" includes penalty, interest, fees, and costs related to the unpaid tax.

At the option of the county auditor, magnetic tape or other electronic media may be employed to transmit the data request or the search results. A fee may be charged for this service in an amount established by the county board as necessary to recover the reasonable costs incurred to furnish the service, notwithstanding section 276.041.

Sec. 14. [385.42] [STATEMENT OF UNPAID TAXES.]

Upon request of any person, the county treasurer shall search the official records of the office to determine if unpaid property taxes exist for the current tax year for any parcels of land listed in the request. The county treasurer shall certify the results of the search for each parcel by showing the amount of tax unpaid. For this purpose "tax" includes penalty, interest, fees, and costs related to the unpaid tax.

At the option of the county treasurer, magnetic tape or other electronic media may be employed to transmit the data request or the search results. For

this service, a fee may be charged in an amount established by the county board to recover the reasonable costs incurred to furnish the service, notwithstanding section 276.041.

This section does not authorize the treasurer or county auditor to charge a fee for certifying to taxes on a deed to be recorded."

Page 20, line 23, before "Minnesota" insert "(a)"

Page 20, after line 24, insert:

"(b) Minnesota Statutes 1992, sections 272.09; 272.46, subdivision 1; and 272.47, are repealed."

Page 20, line 26, delete "to 3, and 6" and insert ", 2, and 5"

Page 20, line 27, delete "4, 9, and 15" and insert "3, 8, and 16, paragraph (a)."

Page 20, line 28, delete "5, 13, and 14" and insert "4, 12, 13 to 15, and 16, paragraph (b)."

Page 20, line 30, delete "7, 8, and 10" and insert "6, 7, and 9"

Page 20, delete lines 32 and 33

Page 20, line 34, delete "12" and insert "11"

Renumber the sections of article 1 in sequence

Pages 31 to 36, delete section 10

Pages 38 to 43, delete sections 12 to 16

Pages 44 and 45, delete section 18

Pages 48 to 50, delete sections 21 to 24

Page 51, line 4, delete "11, 19, and 20" and insert "12, and 13"

Page 51, delete lines 6 to 11

Page 51, line 12, delete "17 and 25" and insert "11 and 14"

Page 51, delete lines 14 to 17

Renumber the sections of article 3 in sequence

Page 53, line 20, delete "due" and insert "as stated in the commissioner's notice"

Page 55, delete section 4

Pages 56 and 57, delete section 6

Page 58, line 16, delete "\$....." and insert "\$50,000,000"

Page 58, line 20, delete "\$....." and insert "\$50,000,000"

Page 58, line 23, delete "with" and insert "after July 1 of"

Page 59, line 1, delete "\$....." and insert "\$150,000,000."

Page 60, line 6, delete "7, 9, and 10" and insert "5, 7, and 8"

Page 60, line 10, delete "8" and insert "6"

Page 60, line 11, delete "..." and insert "*the day following final enactment*"

Page 60, line 12, delete "....." and insert "*that date*"

Page 60, line 13, delete "....." and insert "*that date.*"

Renumber the sections of article 4 in sequence

Page 61, after line 8, insert:

"Sec. 3. Minnesota Statutes 1992, section 296.01, is amended by adding a subdivision to read:

Subd. 10a. [CLEAR DIESEL FUEL.] "Clear diesel fuel" means undyed diesel fuel or diesel fuel that has not been dyed as provided in subdivision 15a."

Page 77, line 6, after "In" insert "*the*"

Page 81, line 12, after the semicolon, insert "*296.14;*"

Page 81, line 15, delete "36" and insert "37".

Page 81, line 16, delete "25" and insert "26"

Renumber the sections of article 5 in sequence

Pages 89 and 90, delete sections 3 and 4

Pages 92 and 93, delete section 8

Page 93, line 5, delete "8" and insert "4"

Page 93, line 6, after the period, insert "*Section 5 is effective for informational reports due on or after August 10, 1994.*"

Renumber the sections of article 6 in sequence

Amend the title as follows:

Page 1, line 5, delete "169.86, subdivision 1;"

Page 1, line 8, delete ", and by"

Page 1, line 9, delete "adding a subdivision;" and delete "270.71;"

Page 1, line 10, delete everything after "1;"

Page 1, line 22, delete "297A.01,"

Page 1, delete lines 23 and 24

Page 1, line 25, delete everything before "297A.25"

Page 1, line 26, delete everything after "9"

Page 1, delete line 27 and insert "; 297C.03,"

Page 1, line 28, delete "297C.13, subdivision 1;"

Page 1, line 33, after the second semicolon, insert "276.04, subdivision 2;"

Page 1, line 35, delete "290A.04,"

Page 1, line 36, delete "subdivision 2h;" and delete "subdivisions 3, 15, and 16" and insert "subdivision 15"

Page 1, line 39, delete "and" and after "297;" insert "384; and 385;"

Page 1, line 40, after the semicolon, insert "272.09; 272.46, subdivision 1; 272.47;"

Page 1, line 41, after the first semicolon, insert "296.14;"

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

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

S.F. No. 800: A bill for an act relating to animals; setting standards for care of dogs and cats by pet dealers, breeders, and brokers; providing for seizure and disposition of certain animals that are suffering cruelty or neglect, are in danger, or are a significant health risk to animals or humans; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Delete everything after the enacting clause and insert:

"Section 1. [346.58] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The definitions in this section apply to sections 1 and 2.*

Subd. 2. [ANIMAL.] *"Animal" means a dog, wholly or in part of the species Canis familiaris, or a cat, wholly or in part of the species Felis domesticus.*

Subd. 3. [BREEDER.] *"Breeder" means a person, firm, partnership, corporation, or association that:*

(1) *breeds animals for direct or indirect sale to the public and sells or gives away more than 24 puppies or kittens per year; or*

(2) *sells animals to brokers or pet dealers.*

Subd. 4. [BROKER.] *"Broker" means a person, firm, partnership, corporation, or association that purchases or breeds animals for resale to other brokers or pet dealers.*

Subd. 5. [CONFINEMENT AREA.] *"Confinement area" means a structure used or designed for use to restrict an animal to a limited amount of space, such as a room, pen, cage, kennel, compartment, or hutch.*

Subd. 6. [HOUSING FACILITY.] *"Housing facility" means a room, building, or area that contains a confinement area.*

Subd. 7. [PET DEALER.] *"Pet dealer" means a person, firm, partnership, corporation, or association, that sells animals to the public. "Pet dealer" does not include a humane society, a nonprofit organization performing the functions of a humane society, an animal control agency, a pet broker, or a person, firm, partnership, corporation, or association that breeds animals for direct sale to the public and sells or gives away fewer than 25 puppies or kittens per year.*

Subd. 8. [VETERINARIAN.] "Veterinarian" means a doctor of veterinary medicine, licensed to practice in the state of Minnesota, who does not have a financial interest in the firm, partnership, corporation, or the transaction or sale of animals for which the examination of the animals is being performed.

Sec. 2. [346.59] [STANDARDS.]

Subdivision 1. [APPLICABILITY.] This section applies to breeders, brokers, and pet dealers. Breeders, brokers, and pet dealers do not need to comply with section 346.39.

Subd. 2. [FOOD.] Animals must be provided with food which meets or exceeds National Research Council standards for nutrients and balance and American Association of Feed Company Officials, Inc., standards of processing of sufficient quantity and quality to allow for normal growth or maintenance of body weight. Animals must be provided wholesome food suitable for the species served in a clean receptacle, dish, or container, at a frequency and amount appropriate for the species and age. Animals over the age of 20 weeks must be offered food at least once every 24 hours. Animals under the age of 20 weeks must be offered food at least once every 12 hours.

Subd. 3. [WATER.] Animals must be provided access to clean, fresh, potable water provided in a sanitary manner at least once every 12 hours or in sufficient quantity to satisfy the animals' needs or supplied by free choice. Snow or ice is not an adequate water source.

Subd. 4. [SHELTER.] A shelter that protects the animal from inclement weather, wind, and direct rays of the sun must be supplied for each animal. If an animal is maintained in an outdoor confinement area, that space must contain a shelter that complies with section 343.40. If an animal is maintained in a confinement area within a housing facility used primarily to house animals, the confinement area must provide sufficient space to allow each animal to turn around freely and to easily stand, sit, and lie in a normal position. Each confined animal must be provided a minimum square footage of floor space as measured from the tip of its nose to the base of its tail, plus 25 percent, expressed in square feet. The formula for computing minimum square footage is: (length of animal in inches plus 25 percent) times (length of animal in inches plus 25 percent) divided by 144.

Subd. 5. [CONFINEMENT AND EXERCISE AREA SURFACES.] The interior surfaces of all indoor confinement and exercise areas, including crates or containers, must be constructed and maintained so that they are impermeable and may be readily cleaned. Confinement area flooring must be constructed of nonabrasive wire of ten gauge or larger or smooth, durable, impermeable material suitable for animals. Sufficient space or barrier must be provided between confinement areas to ensure that no liquid or solid waste, water, or food passes from one confinement area to the other. Confinement areas must be ventilated sufficiently to allow for the free movement of air in and around the confinement area. Confinement areas must protect the animal from injury and be kept in good repair. All outdoor confinement area flooring must be impermeable material or well drained aggregate. Each animal must be provided with a raised solid resting surface of appropriate size to allow the animal to lie down comfortably.

Subd. 6. [EXERCISE.] All animals must be provided the opportunity for exercise at least twice per day. An indoor or outdoor exercise area of at least 72 square feet must be provided for each animal. If more than three animals

use an area simultaneously, space must be increased to allow sufficient room for each animal to exercise freely. A shaded area must be provided sufficient to protect the animal from the direct rays of the sun at all times during the months of May to October.

Subd. 7. [GROUP HOUSING AND BREEDING.] Animals housed together must be kept in compatible groups. Animals must not be bred so as to endanger their health. Health is endangered if a female is bred more than three times in two years. A female animal younger than 18 months may not be bred. A female animal over eight years old may not be bred unless individually authorized in writing by a veterinarian.

Subd. 8. [TEMPERATURE.] Indoor housing facilities for animals must be maintained at an ambient temperature of not less than 50 degrees Fahrenheit at floor level. Heating and cooling units must be of a type and installation approved by applicable building or safety codes. Infrared heating devices may not be used as a primary heating source.

Subd. 9. [VENTILATION.] Housing facilities must be ventilated. Auxiliary ventilation, such as exhaust fans, vents, air conditioning, or a combination of them, must be used when the ambient temperature exceeds 85 degrees Fahrenheit at floor level. Facilities used primarily to house animals must be equipped with an air exchange or air purification system that fully exchanges or purifies the air at least four times per hour. This system must be of a type and installation approved by applicable building or safety codes.

Subd. 10. [LIGHTING.] Housing facilities must have at least eight hours of illumination at a minimum of 25 foot candles 30 inches above floor level. Ample lighting, by natural or artificial means must be uniformly distributed. The lighting must be provided in a regular diurnal cycle. Confinement areas must be placed to avoid exposure of animals to excessive light.

Subd. 11. [DRAINAGE.] A suitable method must be used to eliminate excess fluids from confinement areas. All feces must be removed and disposed of daily. All waste drainage and waste material must be disposed of using a method prescribed by applicable building or health codes.

Subd. 12. [SANITATION.] Food and water receptacles must be accessible to each animal and located so as to prevent contamination by excreta. Opened food bags must be stored in plastic or metal cans with tight fitting lids. Feeding and water receptacles must be kept clean and free of contaminants. Disposable foods receptacles must be discarded when soiled.

Confinement areas must be thoroughly cleaned daily and impervious surfaces treated with disinfectant at least once per week. Animals must be removed from an area while the area is being treated with disinfectant and animals must not be returned to that area until the area is dry.

Animals with infectious or contagious diseases must be isolated from healthy animals. Caretakers must disinfect their hands and shoes after handling animals with infectious or contagious diseases. A sink must be furnished and must be provided with hot and cold running water.

Bedding, if used, must be kept clean and dry. Outdoor confinement and exercise areas must be kept clean and base material replaced as necessary.

Each cat confinement area must be provided with a container for elimination. This container must be constructed so it is impervious to moisture and

may be readily cleaned. The container must contain absorbent material suitable for use by cats. The container must be cleaned daily and absorbent material removed and replaced at least once per week.

Subd. 13. [FEMALES AND LITTERS.] Females and litters must be provided a separate confinement area of a size that complies with this section. Healthy litters must remain with their mother at least five weeks, unless rejected or endangered by their mother or the mother's health is endangered by its litter. No animal may be sold or given away before the age of eight weeks.

The ambient temperature of the confinement area must be maintained at a minimum of 70 degrees Fahrenheit at floor level and a maximum of 90 degrees Fahrenheit for animals under seven weeks of age unless authorized in writing by a veterinarian. The litter must be provided fresh, clean water at all times and fresh food in amounts and at frequency appropriate for age and species.

Litters must be provided socialization and exercise. Socialization must include physical contact with other animals of like species and human beings.

No pet dealer who is not the breeder of the animal may be in possession of an animal that is under the age of eight weeks.

Subd. 14. [TRANSPORTATION AND SHIPMENT.] An animal may not be delivered or held for transport in commerce more than four hours before the scheduled departure time of the primary conveyance on which the animal is to be transported. No animal may be shipped on consignment. Shippers must provide the carriers or intermediate handlers with the name, address, and telephone number of the receiver, shipper's name, address, telephone number, tag or tattoo number of the animals, and time and date the animal was last fed and watered. All shippers must securely attach to the outside of the shipping container written instructions for the in-transit food and water requirements.

No one may transport or cause to be transported into, out of, or within the state for purposes of resale any animal under eight weeks of age.

If animals are transported in containers, the containers must be constructed of nonabrasive wire or a smooth, durable material suitable for animals. Floors must be smooth, impermeable material with grating of smooth wire of ten gauge or larger. Containers must be provided with barriers so as to ensure that no liquid or solid waste, water, or food passes from one confinement area to another. Containers must be clean, adequately ventilated, contain sufficient space to allow the animals to stand up, lie down, and turn around and provide maximum safety and protection to the animals. If more than a single animal is transported in one container, each animal must be provided sufficient space to stand up, lie down, and turn around.

Animals must be maintained in compatible groups. No more than two animals may be transported in the same container. Female animals in estrus may not be transported in the same container with any male.

Food and water receptacles must be securely attached inside the container and placed so that the receptacle can be filled from outside the container without opening the door. Animals over the age of 20 weeks must be offered food at least once every 24 hours. Animals under the age of 20 weeks must be offered food at least once every 12 hours. Each animal must be offered clean, fresh, potable water, provided in a sanitary manner, at least once every eight hours.

Exercise must be provided at least once every eight hours, or at suitable intervals in relation to food and water consumption.

Subd. 15. [FIRE SAFETY.] Smoke detectors must be installed in a housing facility at a frequency prescribed by applicable fire code. Fire extinguishers containing substances nontoxic to animals must be readily available.

Subd. 16. [PENALTIES.] A violation of this section is a misdemeanor. Each violation with each animal is a separate misdemeanor.

Subd. 17. [ENFORCEMENT.] The enforcement provisions in chapter 343 also apply to sections 1 and 2.

Sec. 3. [EFFECTIVE DATE.]

This act is effective 180 days following final enactment."

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

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

S.F. No. 2357: A bill for an act relating to retirement; waiving the annuity reduction for certain faculty in the state university system who return to teaching part-time after retirement; mandating employer-paid health insurance for these faculty; proposing coding for new law in Minnesota Statutes, chapters 136 and 354.

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

Delete everything after the enacting clause and insert:

"Section 1. [136.90] [EMPLOYER-PAID HEALTH INSURANCE.]

(a) *This section applies to a person who:*

(1) retires from the state university system or the community college system with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full-time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. The salary used to determine the amount of the incentive, however, must be the person's salary during the last year of full-time employment.

Sec. 2. [354.445] [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the state university system or the community college system with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section. No employer or employee contribution to any of these plans may be made on behalf of such a person."

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

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

S.F. No. 2500: A bill for an act relating to retirement; St. Paul teachers retirement fund association; requiring proportional representation for various

membership groups on the association board of trustees; proposing coding for new law in Minnesota Statutes, chapter 354A.

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

Delete everything after the enacting clause and insert:

"Section 1. [354A.023] [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION GOVERNANCE.]

Subdivision 1. [APPLICATION.] Notwithstanding any provision of chapter 317A, section 354A.021, article V of the restated articles of incorporation of the teachers retirement fund association of St. Paul, Minnesota, effective July 1, 1978, as amended, or articles II, sections 4 and 5; III, section 1; and V, section 1, of the restated bylaws of the teachers retirement fund association of St. Paul, Minnesota, effective July 1, 1978, as amended, to the contrary, relative to the St. Paul teachers retirement fund association, this section governs the membership composition of its board of trustees, the terms in office of board members, board member eligibility, electorate composition and eligibility, and election procedures.

Subd. 2. [BOARD OF TRUSTEES COMPOSITION.] The management of the St. Paul teachers retirement fund association is vested in a board of ten trustees. The board membership is composed of one ex officio board member, who is the then current chair of the board of independent school district No. 625 (St. Paul), and nine trustees elected by and from the members of the St. Paul teachers retirement fund association as provided in subdivision 4.

Subd. 3. [BOARD OF TRUSTEES TERMS.] (a) The term of the ex officio board member is coincidental with that person's term of office as the chair of the board of independent school district No. 625 (St. Paul).

(b) The term of elected members of the board is three years and until the successor has been elected and qualified. The term begins and ends on the third Thursday in the month of January of the applicable year. The terms of elected members of the board must be staggered.

Subd. 4. [BOARD MEMBER REPRESENTATION.] (a) Of the nine trustees elected by and from the members of the St. Paul teachers retirement fund association, six board members must be active members of the fund and three board members must be fund retirement annuitants, disabilitants, or surviving spouse benefit recipients.

(b) Two active member board positions and one annuity or benefit recipient board position must be filled at each board of trustee election.

(c) Only active members may vote for the elected board member positions representing active members and only retirement annuitants, disabilitants, and surviving spouse benefit recipients may vote for the elected board member positions representing annuity or benefit recipients.

(d) If an elected board member changes membership group status before the end of the person's term, the person must resign from the board of trustees. However, the person may be a candidate for the appropriate membership group board position in a subsequent election.

(e) If there is a vacancy in an elected board member position, the vacancy must be filled by a special election held for that purpose. The special election

must be conducted in a manner consistent with this section, and, if inconsistent with this section, article IV of the bylaws of the St. Paul teachers retirement fund association in effect on the date of enactment of this section.

Subd. 5. [ELECTIONS BY MAIL BALLOT.] (a) Voting for elected board members must be conducted using paper ballots, which must be mailed by the chief administrative officer of the fund to eligible members and must be returned by mail.

(b) Return envelopes for ballots may not have the postage paid by the fund unless all return envelopes for ballots are so treated. Return envelopes for ballots may not have the postage paid by any candidate for a board member position or on behalf of any candidate for a board member position.

(c) The ballot for a regular election must be provided to eligible members by November 1 and must be returned with a postmark no later than midnight of the Friday of the third week of November. In the event of a vacancy in an elected board member position, the ballot for a special election must be provided to eligible members within three weeks of the vacancy and must be returned by eligible voting members with a postmark no later than midnight of the Friday of the fourth full week following the vacancy.

Subd. 6. [SECRETARY-TREASURER NOT TO BE BOARD MEMBER.] (a) Effective on the January 19 next following the effective date of this section, the person who holds the position of secretary of the St. Paul teachers retirement fund association and the person who holds the position of treasurer of the St. Paul teachers retirement fund association or the person who holds the combined position of secretary-treasurer of the St. Paul teachers retirement fund association may not also be an elected board member of the fund association.

(b) The chief administrative officer of the St. Paul teachers retirement fund association must be known as the executive director of the fund.

Subd. 7. [ARTICLE AND BYLAW AMENDMENTS AUTHORIZED.] At the next annual meeting of the St. Paul teachers retirement fund association or at a special meeting of the association called by the board of trustees for that purpose, the association may consider and adopt any amendments to its articles of incorporation or bylaws needed to conform or implement this section.

Sec. 2. [EFFECTIVE DATE.]

(a) Section 1 is effective on the day following approval of all provisions by majority vote at the first annual or special membership meeting of the St. Paul teachers retirement fund association occurring after the date of enactment.

(b) The board of trustees of the St. Paul teachers retirement fund association shall propose the question on the approval of these provisions to the fund membership at the applicable membership meeting. The provisions of section 1 are a single question and may not be divided or voted upon as separate items.

(c) Nothing in section 1 may be construed to reduce the term of any elected member of the board of trustees of the St. Paul teachers retirement fund association serving as such on the effective date of section 1."

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

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

S.F. No. 2498: A bill for an act relating to retirement; offering options of coverage for employees of the higher education board upon merger of the state university system, community college board, and technical college board; amending Minnesota Statutes 1992, sections 136E.04, by adding a subdivision; 354.66, subdivision 2; 354B.07, subdivision 1; and 354B.08; Minnesota Statutes 1993 Supplement, sections 352.01, subdivision 2b; 353.01, subdivision 2a; 354B.02, subdivision 3c; and 354B.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136C; and 136E.

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

Page 1, delete lines 15 and 16 and insert "MEMBERSHIP FOR TECHNICAL COLLEGE EMPLOYEES; ELECTION TO RETAIN RETIREMENT FUND MEMBERSHIP:]"

Pages 1 and 2, delete lines 17 to 29 and insert:

"A person who is employed by a technical college or by the technical college system on June 30, 1995, and who is transferred to state employment shall remain a member of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, unless the person affirmatively elects, in writing, retirement coverage by the general state employees retirement plan of the Minnesota state retirement system. The following provisions govern the election of a transfer or the retention of retirement benefit coverage:

(1) For a person who desires to transfer benefit coverage, the affirmative written election must be made within 120 days of the transfer of the employee to state employment.

(2) On behalf of transferred employees who retain retirement benefit coverage with the pre-transfer retirement plan, the higher education board shall make the applicable employer contributions to the public employees retirement association under section 353.27, subdivisions 3 and 3a, or the same percentage of covered payroll employer contribution to the Minneapolis employees retirement fund that special school district no. 1 is required to make for that school year under section 422A.101, subdivision 2.

(3) An employee who makes a retirement benefit coverage transfer election under this section may revoke that election at any time within the first six months after the person becomes a state employee. Once an employee revokes the retirement benefit coverage transfer election, the employee may not make another election. If the initial retirement benefit coverage transfer election is revoked, all retirement contributions made by or on behalf of the employee revoking a prior election must be transferred to the applicable retirement plan as though they were erroneous deductions or contributions, plus monthly interest at an annual rate of 8.5 percent, compounded monthly, and the balance remaining between any contribution amount transferred and the amount of contributions that otherwise would have been due are payable in the applicable proportions by the revoking employee and the higher education board, plus monthly interest at an annual rate of 8.5 percent, compounded monthly.

(4) *The executive directors of the Minnesota state retirement system, the public employees retirement association, and the Minneapolis employees retirement fund, and the chancellor of the higher education system, shall confer and jointly adopt appropriate procedures for making the retirement benefit coverage transfer elections under this section.*

(5) *The executive directors of the public employees retirement association, the Minnesota state retirement system, and the Minneapolis employees retirement fund, whichever applies, shall, upon request, provide appropriate benefit counseling to applicable affected employees on the effect of electing retirement benefit coverage by the general state employees retirement plan of the Minnesota state retirement system."*

Page 2, delete lines 1 to 13

Page 2, line 18, delete "plan" and insert "plans"

Page 2, line 20, after "and" insert "the former"

Page 2, line 21, delete "shall" and insert "must" and after "single" insert "individual retirement account" and after "plan" insert "and plan administration"

Page 2, line 22, after "board," insert "eligible employees of"

Page 2, line 23, delete "which" and insert "who"

Page 2, line 27, before "In" insert "(a)"

Page 2, line 29, after the second "colleges" insert a comma

Page 2, delete line 30

Page 2, line 31, delete "in" and insert "of"

Page 2, line 33, before "and" insert a comma

Page 2, line 34, delete "whose" and insert ", who are employed in" and after "positions" insert "that"

Page 2, line 35, delete the period and insert ", as certified by the chancellor of the higher education system, are entitled to elect an early separation incentive set forth in subdivision 3.

(b)"

Page 3, delete line 12 and insert:

"(2) is at least age 55 but is not yet age 65;"

Page 3, line 13, after "position" insert "and"

Page 3, line 15, after "retirement" insert ", termination,"

Page 3, line 16, after "benefit" insert "Minnesota public employee pension" and after "or" insert "a"

Page 3, line 17, after "contribution" insert "Minnesota public employee pension"

Page 3, line 18, after "retires" insert ", separates,"

Page 3, delete line 20 and insert:

“(6) has been certified by the chancellor of the higher education system as”

Page 3, line 22, before *“Eligible”* insert *“(a)”* and delete *“choose from”* and insert *“elect”*

Page 3, line 23, delete *“either”* and insert *“one”* and delete *“take”* and insert *“elect”*

Page 3, line 24, before *“Retirement”* insert:

“(b)” and after *“separation”* insert *“or termination”*

Page 3, line 26, after the first *“or”* insert *“the higher education”* and before *“Employees”* insert:

“(c)” and after *“separate”* insert *“, terminate,”*

Page 3, line 27, delete *“insurance or”* and after *“incentive”* insert *“under paragraph (e)”*

Page 3, line 28, after *“any”* insert *“employment”*

Page 3, line 30, delete *“(a) [RETRAINING INCENTIVE.]”* and insert *“(d)”* and after *“An”* insert *“eligible”*

Page 3, line 33, after *“study”* insert *“that is”*

Page 3, line 34, after *“board”* insert *“and”*

Page 3, delete line 36 and insert *“technical college. The retraining leave must be at the full salary level that the person received immediately before the termination notice,”*

Page 4, line 7, delete *“original”* and insert *“pre-termination notice”* and delete *“will cease”* and insert *“ceases”*

Page 4, line 9, delete *“will”* and insert *“must”*

Page 4, line 12, delete *“prior to July 1”* and insert *“before April 1”*

Page 4, delete line 14 and insert:

“(e) An eligible employee”

Page 4, delete lines 15 to 17

Page 4, line 20, after *“retires”* insert *“, is terminated,”*

Page 4, line 21, before *“and”* insert *“, whichever applies,”* and after *“and”* insert *“any”*

Page 4, line 22, after *“retirement”* insert *“, termination,”*

Page 4, line 26, after *“retired”* insert *“, terminated,”*

Page 4, line 33, after *“the”* insert *“eligible”*

Page 4, line 35, delete *“two”* and insert *“five”*

Page 4, line 36, delete *“make up to two”* and insert *“to make not more than five”* and after *“additional”* insert *“member”*

Page 5, delete line 3 and insert:

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

Payment must be made in one lump sum before the employee's date of retirement, separation, or termination.

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

Page 5, delete lines 4 to 15

Page 5, line 17, delete “will” and insert “must”

Page 5, line 23, delete “prior to” and insert “before” and after “separation” insert “, whichever is earlier”

Page 9, line 17, after “persons” insert “who are employed by the higher education board and”

Page 9, line 18, after “association” insert “or the Minneapolis employees retirement fund, whichever applies,”

Page 10, line 20, after “section” insert “136C.75, or”

Page 10, line 21, delete the new language

Page 13, line 15, delete “shall be” and insert “are”

Page 14, line 2, delete “shall” and insert “must”

Page 14, delete line 11 and insert “1995. Obligations incurred on or after June 30, 1994”

Page 14, line 12, delete “section until June 30, 1995”

Page 14, line 20, delete “will not be” and insert “are not”

Page 14, line 22, delete "will" and insert "must" and after "board" insert a comma

Page 14, line 26, after "Sections 1" insert ", 2, 4"

Page 14, line 27, delete "Section 7 is" and insert "Sections 3 and 7 are"

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

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

S.F. No. 2276: A bill for an act relating to retirement; adding Hennepin county paramedics and emergency medical technicians to membership in the public employees police and fire fund; amending Minnesota Statutes 1992, section 353.64, by adding a subdivision.

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

Page 1, line 13, delete "(a)" and insert "(1)"

Page 1, line 15, delete "(b)" and insert "(2)" and after "time" insert "as a paramedic or emergency medical technician" and delete "July" and insert "the effective date specified in section 2; and"

Page 1, delete line 16

Page 1, line 17, delete "(c) is" and insert "(3)" and delete "that date" and insert "the effective date under section 2"

Page 2, line 10, delete everything after "effective" and insert "on the first of the month next following:

(1) receipt of an affirmative written determination from the Secretary of the federal Department of Health and Human Services of ineligibility for coverage under the federal old age, survivors, and disability insurance; and"

Page 2, line 11, delete "July 1, 1994, upon" and insert:

"(2)"

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

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

S.F. No. 2316: A bill for an act relating to the state board of investment; management of funds under the board's control; amending Minnesota Statutes 1992, sections 11A.17, subdivisions 1, 4, 9, 10a, and 14; 11A.18, subdivision 9; 11A.24, subdivisions 3, 5, and 6; 353D.05, subdivision 2; and 354B.07, subdivision 2; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 352D.04, subdivision 1; and 354B.05, subdivision 3.

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

Page 1, after line 10, insert:

“ARTICLE 1

STATE BOARD OF INVESTMENT PROVISIONS”

Page 7, line 12, after “or” insert “in” and after the second “obligations” insert “that are”

Page 7, line 13, after “categories” insert “as provided in paragraph (a), clause (2),”

Page 7, lines 18 and 20, delete “clause” and insert “paragraph”

Page 11, line 8, after “share” insert “account”

Page 12, after line 13, insert:

“Sec. 13. Minnesota Statutes 1993 Supplement, section 352D.09, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATIVE CHARGE DEDUCTIONS.] Any administrative charges deducted under subdivision 7 that were in excess of the administrative expenses between July 1, 1973, and June 30, 1992, together with any investment gains or losses based on fiscal year balances, must be recovered from the state employees retirement plan and held in the unclassified plan to pay future administrative expenses. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, on contributions and investment returns attributable to contributions made before July 1, 1992, must be credited back to the participants in the unclassified plan. *Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, that exceed an amount equal to 1/12 of an annual charge equal to one-tenth of one percent of the assets in each account will be credited back to the participants.*”

Page 15, after line 13, insert:

“Sec. 17. [REQUIREMENT FOR PROVISION OF CERTAIN INFORMATION.]

The executive director of the state board of investment shall report to the legislative commission on pensions and retirement during fiscal year 1995 on any investments that it made under Minnesota Statutes, section 11A.24, subdivision 3, paragraph (b). The report must be made in conjunction with the regular annual report of the state board of investment.”

Renumber the sections of article 1 in sequence

Page 15, after line 16, insert:

“ARTICLE 2

LIMIT ON INVESTMENT AUTHORITY FOR OTHER PUBLIC

PENSION PLANS

Section 1. Minnesota Statutes 1993 Supplement, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. [LOCAL POLICE AND PAID FIRE RELIEF ASSOCIATION INVESTMENT AUTHORITY.] The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment ~~by~~ *under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to, 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4.* Securities held by the association before June 2, 1989, that do not meet the requirements of this subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 2. Minnesota Statutes 1993 Supplement, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment ~~by~~ *under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to, 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4.* Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 3. Minnesota Statutes 1992, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with *Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.*

Sec. 4. Minnesota Statutes 1992, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [MINNEAPOLIS EMPLOYEES RETIREMENT FUND INVESTMENT AUTHORITY.] (a) For investments made on or after July 1, 1991, the board shall invest funds only in investments authorized by *Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.*

(b) However, in addition to real estate investments authorized by ~~section 11A.24~~ under paragraph (a), the board may also make loans to purchasers of Minnesota situs nonfarm residential real estate that is owned by the Minneapolis employees retirement fund. The loans must be secured by mortgages or deeds of trust.

~~(b)~~ (c) For investments made before July 1, 1991, the board may, but is not required to, comply with ~~section 11A.24~~ paragraph (a). However, with respect to these investments, the board shall act in accordance with subdivision 2a and chapter 356A.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment;"

Page 1, line 6, delete the second "and"

Page 1, line 7, after "2;" insert "356A.06, subdivision 7; and 422A.05, subdivision 2c;"

Page 1, line 8, after "4;" insert "69.77, subdivision 2g; 69.775;"

Page 1, line 9, after the semicolon, insert "352D.09, subdivision 8;"

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

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

S.F. No. 2240: A bill for an act relating to retirement; providing for level benefits for the Minneapolis police relief association; changing the definition of surviving spouses eligible for benefits; amending Minnesota Statutes 1992, section 423B.09, subdivision 1; Minnesota Statutes 1993 Supplement, section 423B.10, subdivision 1.

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

Page 1, after line 8, insert

“ARTICLE 1

MINNEAPOLIS POLICE RELIEF ASSOCIATION

BENEFIT MODIFICATIONS”

Page 2, line 26, strike “one year” and insert “five years”

Page 3, after line 34, insert:

“ARTICLE 2

CONFORMING CHANGES

Section 1, Minnesota Statutes 1993 Supplement, 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 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) 2.5333 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 in excess of 27 years of allowable service, if service as an active member terminated before January 31, 1994, and 2.3333 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 for each year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service if service as an active member terminated on or after January 31, 1994, Bloomington police relief association;

(3) 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;

(4) 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;

(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, Chisholm firefighters relief association;

(6) 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;

(7) 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;

(8) 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;

(9) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;

(10) 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;

(11) 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;

(12) 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;

(13) 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;

(14) 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;

(15) 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;

(16) 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;

(17) ~~2.125~~ two 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;

(18) 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;

(19) 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;

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

(21) 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;

(22) 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;

(23) 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;

(24) 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;

(25) 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;

(26) 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

(27) 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. Minnesota Statutes 1992, section 353B.11, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b), (c), (d), (e), or (f), the person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who was residing with the member at the time of the death of the deceased member shall be entitled to receive a surviving spouse benefit.

(b) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) Austin firefighters relief association;
- (4) Austin police relief association;
- (5) Brainerd police benefit association;
- (6) Columbia Heights police relief association;
- (7) Crookston fire department relief association;
- (8) Crookston police relief association;
- (9) Fairmont police benefit association;
- (10) Faribault police benefit association;
- (11) Mankato fire department relief association;

- (12) Red Wing police relief association;
- (13) South St. Paul police relief association;
- (14) Virginia fire department relief association;
- (15) Virginia police relief association; and
- (16) West St. Paul police relief association.

(c) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, and who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Hibbing police relief association;
- (3) Mankato police benefit association; and
- (4) New Ulm police relief association.

(d) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was the recipient of a service pension or was entitled to a deferred service pension and who was residing with the member at the time of the death of the deceased member in the case of former members of the Minneapolis fire department relief association.

(e) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was residing with the member at the time of the death of the decedent, and, if the deceased member was the recipient of a service pension or was entitled to a deferred service pension at the time of death, who was legally married to the member for at least five years before the member's death, in the case of former members of the Minneapolis police relief association.

(f) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least three years before the separation from active service if the deceased member was a deceased, retired, or deferred member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the South St. Paul firefighters relief association.

(f) (g) The person who survives a deceased active, deferred, or retired member who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who had not deserted the member at the time of the death of the deceased member shall be entitled to receive a

surviving spouse benefit in the case of former members of the St. Paul police relief association.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the effective date of article 1, section 1."

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 353B.11, subdivision 1;"

Page 1, line 7, delete "section" and insert "sections 353B.07, subdivision 3; and"

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. 2714: A bill for an act relating to insurance; providing liability coverage for lead abatement through the Minnesota joint underwriting association; amending Minnesota Statutes 1992, section 62I.02, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [STUDY.]

The commissioner of commerce shall conduct a study of lead abatement and lead abatement liability insurance availability and report to the legislature on the findings by December 1, 1994. The commissioner shall consult with insurance companies, contractors, experts on lead abatement, local governments, landlords, and owners of buildings and homes with lead problems. The study shall consider, at a minimum, the following:

- (1) the current availability of liability coverage for lead abatement;*
- (2) the need for insurance reforms, or for provision of lead abatement liability insurance through the joint underwriting association; and*
- (3) the need for coverage shown by lead abatement contractors, landlords, and others responsible for lead abatement.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; requiring a study of lead abatement and lead abatement liability insurance availability."

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

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

S.F. No. 1879: A bill for an act relating to occupations and professions; requiring that concrete and masonry workers be licensed as residential contractors; amending Minnesota Statutes 1993 Supplement, sections 326.83, subdivisions 7, 19, and by adding a subdivision; 326.842; and 326.94, subdivision 1.

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

Page 1, line 13, delete "*worker*" and insert "*contractor*"

Page 1, line 17, delete "WORKERS" and insert "CONTRACTORS"

Page 1, line 18, delete "*workers*" and insert "*contractors*"

Page 4, line 9, delete "WORKERS" and insert "CONTRACTORS"

Page 4, lines 10 and 16, delete "*workers*" and insert "*contractors*"

Page 4, line 28, delete "*worker*" and insert "*contractor*"

Amend the title as follows:

Page 1, line 3, delete "workers" and insert "contractors"

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

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

S.F. No. 2036: A bill for an act relating to human services; permitting certain providers to request a state agency hearing; modifying the conduct of state agency hearings; modifying certain requirements for prior authorization of services under medical assistance; amending Minnesota Statutes 1992, sections 256.045, subdivisions 3, 4, 5 and by adding a subdivision; and 256B.0625, subdivisions 8, 8a, 25, 31, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] (a) Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 256.031 to 256.036, and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, or a provider of physical therapy, occupational therapy, speech therapy, or a related service as specified in subdivision 3b, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative, or

provider of therapy services as specified in subdivision 3b shows good cause why the request was not submitted within the 30-day time limit.

(b) Except for a prepaid health plan or a provider of therapy services as specified in subdivision 3b, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section.

(c) An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.

Sec. 2. Minnesota Statutes 1992, section 256.045, is amended by adding a subdivision to read:

Subd. 3b. [THERAPY SERVICES PROVIDER APPEALS.] A provider of physical therapy, occupational therapy, speech therapy, or related services whose request for prior authorization of services for a recipient of medical assistance or general assistance medical care, or a MinnesotaCare enrollee was denied, partially approved, or not acted upon with reasonable promptness by the state agency may contest that action or decision before the state agency as provided in subdivisions 3 and 4. Before a provider submits a request for a hearing to the state agency the provider must obtain authorization from the affected recipient or enrollee in order to pursue the appeal.

Sec. 3. Minnesota Statutes 1992, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] (a) All hearings held pursuant to subdivision 3, 3a, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient objects. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services referee shall notify all interested persons, including the recipient or enrollee on whose behalf a provider of therapy services has requested a hearing under subdivision 3b, of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient, or provider of therapy services under subdivision 3b, shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. Upon request, the county or state agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the

appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. *If a representative of the state agency is not present at the hearing the state agency may not submit evidence after the hearing is held.*

(b) The commissioner must have a representative from the health care administration of the state agency present, either in person or by telephone, at a hearing where the denial or partial denial of a request for the prior authorization of services under section 256B.0625, 256B.0627, or 256B.0628 is the action being appealed.

Sec. 4. Minnesota Statutes 1992, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, ~~or~~ prepaid health plan, *or provider of therapy services under subdivision 3b.* The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the county agency and the applicant, recipient, former recipient, ~~or~~ prepaid health plan, *or provider of therapy services under subdivision 3b* of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the county agency and the applicant, recipient, former recipient, ~~or~~ prepaid health plan, *or provider of therapy services under subdivision 3b.*

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan *or a provider of therapy services under subdivision 3b*, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section.

Sec. 5. Minnesota Statutes 1992, section 256B.0625, subdivision 8, is amended to read:

Subd. 8. [PHYSICAL THERAPY.] (a) Medical assistance covers physical therapy and related services.

(b) If the commissioner requires prior authorization under subdivision 25 for physical therapy or related services, the commissioner shall adopt administrative rules under chapter 14 establishing criteria for review of prior authorization requests.

Sec. 6. Minnesota Statutes 1992, section 256B.0625, subdivision 8a, is amended to read:

Subd. 8a. [OCCUPATIONAL THERAPY.] (a) Medical assistance covers occupational therapy and related services.

(b) If the commissioner requires prior authorization under subdivision 25 for occupational therapy or related services, the commissioner shall adopt administrative rules under chapter 14 establishing criteria for review of prior authorization requests.

Sec. 7. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 8b. [SPEECH THERAPY.] (a) Medical assistance covers speech therapy and related services.

(b) If the commissioner requires prior authorization under subdivision 25 for speech therapy or related services, the commissioner shall adopt administrative rules under chapter 14 establishing criteria for review of prior authorization requests.

Sec. 8. Minnesota Statutes 1992, section 256B.0625, subdivision 25, is amended to read:

Subd. 25. [PRIOR AUTHORIZATION REQUIRED.] (a) The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.001 to 14.69 except as provided in subdivisions 8, 8a, and 8b. The commissioner's decision whether prior authorization is required for a health service is not subject to administrative appeal.

(b) A provider who has submitted a prior authorization request for physical therapy, occupational therapy, speech therapy, or related services must have access via telephone to the consultant to whom the request has been assigned. The consultant must make a reasonable amount of time available for providers to contact the consultant by telephone in order to discuss either a pending request or a request about which a recommendation has been made. For purposes of this paragraph "consultant" has the meaning given it in Minnesota Rules, part 9505.5005, subpart 3.

Sec. 9. Minnesota Statutes 1992, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. [MEDICAL SUPPLIES AND EQUIPMENT.] (a) Medical assistance covers medical supplies and equipment. Separate payment outside

of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the mentally retarded. Reimbursement for wheelchairs and wheelchair accessories for ICF/MR recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

(b) A medical assistance recipient who resides in a nursing facility or in an ICF/MR and who owns a wheelchair must obtain prior authorization from the commissioner for all repairs and adaptations if the combined charges for parts and labor will exceed \$300, but prior authorization is not required if the combined charges will not exceed this amount.

Sec. 10. [ADVISORY TASK FORCE TO STANDARDIZE SUPPORTING DOCUMENTATION FOR PRIOR AUTHORIZATION.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] A six-member advisory task force on prior authorization supporting documentation is established. The task force is comprised of one licensed physician, one licensed physical therapist, one licensed occupational therapist, one licensed speech therapist, one licensed psychologist, and one consumer representative. All licensed task force members must be actively engaged in the practice of their profession in Minnesota. The members of the task force shall be appointed by the commissioner of human services. No more than three members may be of one gender. All licensed professional members shall be selected from lists submitted to the commissioner by the appropriate professional associations. Task force members shall be compensated for expenses as specified in Minnesota Statutes, section 15.059, subdivision 6, except the consumer representative member must be compensated for time spent on task force activities as specified in section 15.059, subdivision 3. The task force shall expire on December 31, 1995.

Subd. 2. [DUTIES OF COMMISSIONER AND TASK FORCE.] The task force shall study the lists of items, specified in the issue of the medical assistance and general assistance medical care provider manual which is in effect as of the effective date of this act, that are required to be submitted by each category of provider along with the provider's request for prior authorization. The task force shall recommend to the commissioner any amendments or refinements needed to clarify the lists. The commissioner shall use the recommendations of the task force in developing a standardized form or forms on which a provider will submit all required supporting documentation for a prior authorization request. If the commissioner intends to depart from the recommendations of the task force, the commissioner shall inform the task force of the intended departure, provide a written explanation of the reasons for the departure, and give the task force an opportunity to comment on the intended departure.

Sec. 11. [TEMPORARY PRIOR AUTHORIZATION EXEMPTION; STUDY REQUIRED.]

(a) The commissioner shall not require prior authorization for physical therapy, occupational therapy, and speech therapy services provided by an entity that operates a Medicare certified comprehensive outpatient rehabilitation facility which was certified prior to January 1, 1993, and that is a facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, when those services are provided within the comprehensive outpatient rehabilitation

facility and not provided in a nursing facility other than the entity's own. This exemption expires June 30, 1995.

(b) *The commissioner shall not require prior authorization for physical therapy, occupational therapy, or speech therapy services provided to a medical assistance recipient who resides in a nursing facility licensed on June 1, 1983, under Minnesota Rules, parts 9570.2000 to 9570.3600, to provide residential services for the physically handicapped. This exemption expires June 30, 1995.*

(c) *The commissioner shall study alternative methods, other than prior authorization, to achieve utilization review of the therapy services provided by the entities in paragraphs (a) and (b). The commissioner must consult with the entities in paragraphs (a) and (b) to develop recommendations for alternative methods of utilization review. By February 1, 1995, the commissioner must report to the legislature on the results and recommendations of the study."*

Delete the title and insert:

"A bill for an act relating to human services; permitting certain providers to request a state agency hearing; modifying the conduct of state agency hearings; modifying certain requirements for prior authorization of services under medical assistance; amending Minnesota Statutes 1992, sections 256.045, subdivisions 3, 4, 5 and by adding a subdivision; and 256B.0625, subdivisions 8, 8a, 25, 31, and by adding a subdivision."

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

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

S.F. No. 1760: A bill for an act relating to human services; providing monitoring and evaluation of emergency health services on a pilot project basis; authorizing an advisory committee; amending Minnesota Statutes 1992, section 245.469, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [EMERGENCY SERVICES MONITORING; PILOT STUDY AND REPORT.]

Subdivision 1. [ADVISORY COMMITTEE.] By July 1, 1994, the commissioner of human services shall appoint a nine-member advisory committee to evaluate and monitor the pilot study established under subdivision 2. The commissioner shall consult with advocates for persons with mental illnesses and with the state advisory council on mental health before appointing the members of the advisory committee. At least six of the committee members must be chosen from persons who are advocates for persons with mental illness or family members of persons with mental illness, and from persons who have received emergency services under Minnesota Statutes, section 245.469, subdivisions 1 and 2. Members shall not receive per diems but shall be compensated for expenses under Minnesota Statutes, section 15.059. The advisory committee shall report to the commissioner at such times and in the manner that the commissioner directs, except that the advisory committee

shall meet no less than four times between July 1, 1994, and July 1, 1995. The advisory committee shall expire January 15, 1996.

Subd. 2. [PILOT STUDY.] The pilot study shall be designed to monitor and evaluate three counties in their provision of emergency adult mental health services under Minnesota Statutes, section 245.469. The three counties shall be chosen by the commissioner. One of the counties must be a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4, with a city of the first class. The study must also include a metropolitan county other than Hennepin or Ramsey county, and one county located outside of the metropolitan area. The purpose of the pilot study will be: (1) to determine whether the emergency services required by Minnesota Statutes, section 245.469, are being provided in each of the selected counties; (2) to evaluate the sufficiency and quality of services for adult persons with mental illness who are in crisis; and (3) to assess the effectiveness of consumer advocates in monitoring the availability of emergency mental health services. The commissioner shall submit a report on the study, with findings of the effectiveness of the current emergency mental health services and recommendations to improve the emergency services, to the legislature by January 15, 1996."

Amend the title as follows:

Page 1, line 4, delete the second semicolon and insert a period

Page 1, delete lines 5 and 6

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

Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred

S.F. No. 2395: A bill for an act relating to elections; providing for a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except towns; superseding inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1992, sections 103C.301, subdivision 1; 103C.305, subdivisions 1, 2, and 6; 103C.311; 103C.315, subdivision 2; 122.23, subdivision 11; 122.25, subdivision 2; 123.34, subdivision 1; 128.01, subdivision 3; 200.01; 200.02, subdivision 10, and by adding a subdivision; 203B.05, subdivision 2; 204B.09; 204B.135, subdivision 4; 204B.14, by adding a subdivision; 204B.18, by adding a subdivision; 204B.19, subdivision 6; 204B.27, subdivisions 3 and 5; 204B.28, subdivision 1; 204B.32; 204B.34, subdivisions 2 and 4; 204B.35, subdivision 5; 204C.03, subdivision 4; 204C.28, subdivision 3; 204D.02; 204D.05, subdivisions 2 and 3; 204D.08, subdivision 6; 204D.09; 204D.10, subdivision 3; 205.02; 205.065, subdivisions 1, 2, 3, and 5; 205.07, subdivision 1; 205.13, subdivisions 1, 2, and 6; 205.175, subdivision 1; 205.185, subdivisions 2 and 3; 205A.03, subdivisions 2 and 4; 205A.04, subdivision 1; 205A.06, subdivisions 1, 2, and 5; 205A.09; 205A.10, subdivision 2; 205A.11; 375.101, by adding a subdivision; 382.01; 397.06; 397.07; 398.04; 412.02, subdivision 2; 412.021, subdivision 2; 412.571, subdivision 5; and 447.32, subdivisions 1 and 2; Minnesota Statutes 1993 Supplement, sections 122.23, subdivision 18; and 206.90, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 205; proposing coding for new law as Minnesota Statutes, chapter 204E; repealing Minnesota

Statutes 1992, sections 205.07, subdivision 3; 205.18; 205.20; 205A.04, subdivision 2; 375.101, subdivisions 1 and 2; 410.21; and 447.32, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, 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. 1996: A bill for an act relating to employment; modifying the definition of employer for personnel records review purposes; amending Minnesota Statutes 1992, section 181.960, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 181.960, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of sections 181.960 to 181.966 *and unless otherwise provided*, the following terms have the meanings given in this section.

Sec. 2. Minnesota Statutes 1992, section 181.961, is amended by adding a subdivision to read:

Subd. 4. [EMPLOYER DEFINED.] For the purposes of this section, "employer" includes a person who has one or more employees."

Amend the title as follows:

Page 1, line 4, delete everything after the first comma

Page 1, delete line 5 and insert "sections 181.960, subdivision 1; and 181.961, by adding a subdivision."

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

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

S.F. No. 2093: A bill for an act relating to agriculture; establishing certification and labeling program to identify milk and milk products free of recombinant bovine growth hormone; removing and clarifying regulations concerning veterinary use of recombinant bovine growth hormone; appropriating money; amending Minnesota Statutes 1992, sections 32.103; 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; Minnesota Statutes 1993 Supplement, section 32.394, subdivision 8d; proposing coding for new law in Minnesota Statutes, chapter 32.

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

Page 2, delete section 2

Page 6, delete section 7

Page 6, line 8, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "appropriating money;"

Page 1, line 9, delete "Minnesota Statutes 1993"

Page 1, delete line 10 and insert "proposing"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2710, 2455, 2493, 2617, 2819, 2119, 2161, 365, 2420, 800, 2500, 2276 and 2240 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2143 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Belanger moved that S.F. No. 1736 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Belanger moved that S.F. No. 1996 be withdrawn from the Committee on Judiciary, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 1996 was read the second time.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Moe, R.D. introduced—

S.F. No. 2867: A bill for an act relating to capital improvements; appropriating money to the commissioner of education to construct a community service center at Nay-Tah-Waush in Mahnommen county; authorizing the sale of state bonds.

Referred to the Committee on Education.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 1512: Messrs. Luther, Marty and Laidig.

H.F. No. 2074: Ms. Ranum, Messrs. Spear, Beckman, McGowan and Laidig.

S.F. No. 760: Messrs. Price, Morse and Merriam.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. Adkins was excused from the Session of today. Mr. Chmielewski was excused from the Session of today from 4:00 to 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:45 a.m., Wednesday, March 30, 1994. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate