

ONE HUNDREDTH DAY

St. Paul, Minnesota, Thursday, April 28, 1994

The Senate met at 8:30 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Patrick L. Hall.

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

Adkins	Finn	Kroening	Murphy	Runbeck
Anderson	Flynn	Laidig	Neuville	Sams
Beckman	Frederickson	Langseth	Novak	Samuelson
Belanger	Hanson	Larson	Oliver	Solon
Benson, D.D.	Hottinger	Lesewski	Olson	Spear
Benson, J.E.	Janezich	Lessard	Pappas	Stevens
Berg	Johnson, D.E.	Luther	Pariseau	Stumpf
Berglin	Johnson, D.J.	Marty	Piper	Terwilliger
Bertram	Johnson, J.B.	McGowan	Pogemiller	Vickerman
Betzold	Johnston	Merriam	Price	Wiener
Chandler	Kelly	Metzen	Ranum	
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 and referred to the committee indicated.

March 28, 1994

The Honorable Allan H. Spear
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

STATE BOARD OF TECHNICAL COLLEGES

Sara Carlson, 219 Elmwood Dr., Alexandria, Douglas County, has been appointed by me, effective April 2, 1994, for a term expiring on the first Monday in January, 1998.

Terance Smith, 673 Schilling Cir. N.W., Forest Lake, Washington County, has been appointed by me, effective April 2, 1994, for a term expiring on the first Monday in January, 1998.

(Referred to the Committee on Education.)

Warmest regards,
Arne H. Carlson, Governor

April 25, 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
	1094	485	1:45 p.m. April 22	April 22
	2360	487	2:15 p.m. April 22	April 22
	3053	488	1:47 p.m. April 22	April 22
	2433	489	2:10 p.m. April 22	April 22
	1416	490	1:49 p.m. April 22	April 22
	1957	493	1:50 p.m. April 22	April 22
	1859	496	2:04 p.m. April 22	April 22
2171		498	1:56 p.m. April 22	April 22
	2670	499	1:52 p.m. April 22	April 22
862		500	1:59 p.m. April 22	April 22
2260		501	2:00 p.m. April 22	April 22
1732		502	12:00 p.m. April 25	April 25
	2893	503	1:02 p.m. April 25	April 25
	2175	504	1:04 p.m. April 25	April 25
	2311	505	1:06 p.m. April 25	April 25
1912		506	12:01 p.m. April 25	April 25
1744		507	12:05 p.m. April 25	April 25
	2124	508	1:11 p.m. April 25	April 25
760		509	11:58 a.m. April 25	April 25
	2275	510	1:12 p.m. April 25	April 25
	228	511	1:42 p.m. April 25	April 25
	2159	512	1:13 p.m. April 25	April 25

2329	513	1:17 p.m. April 25	April 25
1903	514	1:00 p.m. April 25	April 25
2148	515	1:15 p.m. April 25	April 25

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

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.

Senate File No. 2500 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1994

Mr. Moe, R.D. moved that S.F. No. 2500 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the name of Mr. Price be added as a co-author to S.F. No. 2724. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 89: A Senate resolution congratulating Paul Hoff on being elected President of the Minnesota Telephone Association.

Referred to the Committee on Rules and Administration.

S.F. No. 584 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 584

A bill for an act relating to free speech; protecting citizens and organizations from civil lawsuits for exercising their rights of public participation in government; proposing coding for new law as Minnesota Statutes, chapter 554.

April 26, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 584, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 584 be further amended as follows:

Page 2, line 24, delete "*established by a preponderance of the*" and insert "*produced clear and convincing*"

Page 3, line 24, before the period, insert "*and apply to judicial claims commenced on or after that date*"

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

Senate Conferees: (Signed) Jane Krentz, Ember D. Reichgott Junge, Martha R. Robertson

House Conferees: (Signed) Thomas Pugh, Kathleen Sekhon, Jim Rhodes

Ms. Krentz moved that the foregoing recommendations and Conference Committee Report on S.F. No. 584 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 584 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2624, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2624 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2624

A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; modifying duties of the commissioner of employee relations; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.10, subdivision 3; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

April 26, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2624, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 2624 be further amended as follows:

(The text of the amended House File is identical to S.F. No. 2358.)

Page 9, line 11, strike "July 1" and insert "*the first Monday in January*"

Page 9, line 12, strike "July" and insert "*January*"

Page 21, line 21, delete "*July 1*" and insert "*the first Monday in January*"

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

House Conferees: (Signed) Leo J. Reding, Loren A. Solberg, Jerry Knickerbocker

Senate Conferees: (Signed) Carol Flynn, William P. Luther, Sheila M. Kiscaden

Ms. Flynn moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2624 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2624 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2410, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2410 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2410

A bill for an act relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands; amending Minnesota Statutes 1992, sections 89.36, subdivision 3; 89.37, by adding a subdivision; 90.101, subdivision 2; 90.151, subdivision 1; 90.161, subdivisions 1 and 2; 90.191, subdivision 2; and 90.193; Minnesota Statutes 1993 Supplement, sections 90.101, subdivision 1; and 90.121; repealing Minnesota Statutes 1992, section 90.151, subdivisions 13 and 14.

April 25, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2410, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: (Signed) Tom Rukavina, Steve Trimble, Kathleen Sekhon

Senate Conferees: (Signed) Bob Lessard, Kevin M. Chandler, Gary W. Laidig

Mr. Lessard moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2410 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2410 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a new Conference Committee on House File No. 2411.

H.F. No. 2411: 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.

The Committee on the part of the House consists of:

Solberg; Johnson, R. and Bishop.

House File No. 2411 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1994

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2365:

H.F. No. 2365: A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

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

Morrison, Osthoff and Lieder have been appointed as such committee on the part of the House.

House File No. 2365 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1994

Mr. Langseth moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2365, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2710 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2710

A bill for an act relating to health; modifying provisions relating to lead abatement; amending Minnesota Statutes 1992, sections 144.871, subdivision 3; and 144.874, subdivision 12, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.61, subdivision 3; 144.871, subdivision 2; 144.872, subdivision 2; 144.874, subdivisions 1, 3, 9, and 11a; 144.878, subdivisions 2 and 5; and 326.71, subdivision 4; repealing Minnesota Statutes 1993 Supplement, section 144.877.

April 26, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2710, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2710 be further 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 or reduce human exposure to lead hazards.

Sec. 3. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 2a. [LEAD HAZARD.] "Lead hazard" means a condition that causes exposure to lead from lead-contaminated dust, lead-contaminated bare soil, lead-contaminated drinking water, lead-contaminated deteriorating paint, or lead-contaminated intact paint on accessible, friction, or impact surfaces that poses an immediate threat that would result in adverse human health effects.

Sec. 4. 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. 5. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 5a. [DETERIORATED PAINT.] "Deteriorated paint" or "deteriorating paint" means paint that is chipped, peeled, or otherwise separated from its substrate or that is attached to damaged substrate.

Sec. 6. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS CONTRACTS.] (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 in accordance with section 144.878.

(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. 7. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 4, is amended to read:

Subd. 4. [LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.]

(a) Within the limits of available state or federal appropriations, funds shall be made available under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase lead cleanup equipment and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and ~~certified trainers~~ *sponsors of approved training courses* in order to receive training necessary for certification under section 144.876, subdivision 1. Lead cleanup equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, dust and particle containment material, and other cleanup and containment materials to remove loose paint and plaster, patch plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil.

(b) Upon certification, the grantee's staff and volunteers may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis at no fee, and other households on a sliding fee scale. Equipment shall not be made available to any person; ~~licensed lead abatement contractor, or certified trainer~~ who charges or intends to charge a fee for services performed using equipment or materials purchased by a nonprofit community-based organization through a grant obtained under this subdivision.

Sec. 8. Minnesota Statutes 1993 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner finger stick and venipuncture blood lead results and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, soil, dust, and drinking water. The commissioner shall require the *type of blood sample tested and the date of the test, and the current address and birthdate of the patient, the gender and race of the patient,* and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public. *Clinic staff and physicians who collect blood samples for lead analyses must provide the information in this subdivision to the medical laboratory performing the analyses.* If a clinic or physician sends a blood lead test to a medical laboratory outside of Minnesota, that clinic or physician must meet the reporting requirements under this subdivision.

Sec. 9. 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~~ *an* assessment of a residence and ~~all common areas, if the residence is located in a building with two or more residential units,~~ within ~~five~~ *ten* 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. *In a building with two or more residential units, a board of health must inspect the individual unit in which the conditions of this subdivision are met and must also inspect all common areas in the building.* 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 144.8781. 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. 10. 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 under section 144.878 is violated, but the paint is intact, the board of health must not order paint removal unless the intact paint is a known source, or reasonably expected to be a source, of actual lead exposure to a specific person. Before the board of health may order the intact paint to be removed, a reasonable 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. 11. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3a, is amended to read:

Subd. 3a. [SWAB TEAM SERVICES.] After issuing abatement orders for a residence of a child or pregnant women with elevated blood lead levels, the commissioner or a board of health must send a swab team within ~~five~~ *ten* working days to the residence to perform swab team services as defined in section 144.871, subdivision 9. If the commissioner or board of health provides swab team services after an assessment, but before the issuance of an abatement order, swab team services do not need to be repeated after the issuance of an abatement order. Swab team services are not considered completed until the reassessment required under subdivision 6 shows no violation of one or more of the standards under section 144.878, subdivision 2. If assessments and abatement orders are conducted at times when weather or soil conditions do not permit the assessment or abatement of lead in soil, the residences shall have their soil assessed and abated, if necessary, at the first opportunity that weather and soil conditions allow.

Sec. 12. 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 develop in cooperation with the commissioner of administration 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 different levels and types of*

work involved and the potential for lead hazards. 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, nonprofit rehabilitation organizations, a representative of each of the affected trades, and housing and redevelopment authorities in developing the directives and procedures. This group shall also make recommendations for consumer and contractor education and training. Directives developed under this section are exempt from chapter 14. The commissioner of health shall report to the legislature by February 15, 1995, regarding development of the provisions required under this subdivision.

Sec. 13. Minnesota Statutes 1993 Supplement, section 144.8771, subdivision 2, is amended to read:

Subd. 2. [LICENSE APPLICATION.] (a) An application for a license and for renewal of a license must be on a form provided by the commissioner and be accompanied by:

- (1) the fee set by the commissioner; and
- (2) evidence that the applicant has successfully completed a lead inspection training course approved by the commissioner or, within the previous 180 days, an initial lead inspection training course.

(b) The fee required by this subdivision is waived for an employee of a ~~board of health~~ the federal, state, or local government within Minnesota.

Sec. 14. 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, ~~and~~ soil 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 work cooperatively with the commissioner of administration to determine which practices under section 144.874, subdivision 11a, may be used for lead-safe work including preparation and cleanup. The commissioner shall work cooperatively with the commissioner of the pollution control agency to develop 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 drinking water in a manner to protect the public health and the environment. The commissioner shall adopt rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Samples collected for the purposes of lead analysis of drinking water shall be done in accordance with lab certification requirements and analytical techniques specified by the Code of Federal Regulations, title 40, part 141.89.*

Sec. 15. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 2b. [PRIORITIES FOR RESPONSE ACTION.] The commissioner of health must establish, by publication in the State Register, a priority list of census tracts at high risk for toxic lead exposure for primary prevention response actions. In establishing the list, the commissioner shall award points under this subdivision to each census tract on which information is available. The priority for primary prevention response actions in census tracts at high risk for toxic lead exposure shall be based on the cumulative points awarded to each census tract. A greater number of points means a higher priority. If a tie occurs in the number of points, priority shall be given to the census tract with the higher percentage of population with blood lead levels greater than ten micrograms of lead per deciliter. All local governmental units and boards of health shall follow the priorities under this subdivision. The commissioner shall revise and update the priority list at least every five years. Points shall be awarded to each census tract for each criteria, considered independently, as described in section 144.871, subdivision 7a. Points shall be awarded as follows:

(a) *In a census tract where at least 20 children have been screened in the last five years, one point shall be awarded for each ten percent of children who were under six years old at the time they were screened for lead in blood and whose blood lead level exceeds ten micrograms of lead per deciliter. An additional point shall be awarded if one percent of the children had blood levels greater than 20 micrograms per deciliter of blood. Two points shall be awarded to a census tract, where the blood lead screening has been inadequate, that is contiguous with a census tract where more than ten percent of the children under six years of age have blood lead levels exceeding ten micrograms per deciliter.*

(b) One point shall be awarded for every five percent of housing that is defined as dilapidated or deteriorated by the planning department or similar agency of the city in which the housing is located. Where data is available by neighborhood or section within a city, the percent of dilapidated or deteriorated housing shall apply equally to each census tract within the neighborhood or section.

(c) One point shall be awarded for every 100 parts per million of lead soil, based on the median soil lead values of foundation soil samples, calculated on 100 parts per million intervals, or fraction thereof. For the cities of St. Paul and Minneapolis, the commissioner shall use the June 1988 census tract version of the houseside map entitled "Distribution of Houseside Lead Content of Soil-Dust in the Twin Cities," prepared by the Center for Urban and Regional Affairs. Where the map displays a census tract that is crossed by two or more intervals, the commissioner shall make a reasoned determination of the median foundation soil lead value for that tract. Values for census tracts may be updated by surveying the tract according to the procedures under Minnesota Rules, part 4761.0400, subpart 8.

Sec. 16. 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. 17. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 5a. [RESIDENTIAL RENOVATION AND REMODELING.] A person who performs painting, renovation, rehabilitation, remodeling, demo-

lition, or other residential work that is not lead abatement need not be a licensed lead abatement contractor. 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. This determination may be made by quantitative chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. A person does not have to be licensed as a lead inspector to use sodium rhodizonate for this purpose. If lead sources are identified, the work must be performed in accordance with the standard in section 144.878, subdivision 2, as modified by the program directives developed under section 144.874, subdivision 11a. An owner of an owner-occupied residence with one or two units is not subject to the requirements under this subdivision.

Sec. 18. [144.8782] [EXEMPTIONS.]

The provisions of sections 144.876 and 144.878, subdivision 5, do not apply to homeowners, apartment owners, farmers, and small business persons with 50 or fewer employees who do their own maintenance and remodeling work, or to small contractors, excluding lead abatement contractors. Exemptions under this section also apply to purchasers of one or two unit residences. Nothing in this section affects any federal grant from the Department of Housing and Urban Development or state financed swab teams.

Sec. 19. 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 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or, if linear feet or square feet cannot be measured, 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, roofing materials, siding, and all ceilings with asbestos-containing material in single family residences and buildings with no more than four dwelling units. 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.

For purposes of this subdivision, the quantity of asbestos containing material applies separately for every project permit fee paid under section 326.75, subdivision 3.

Sec. 20. Minnesota Statutes 1993 Supplement, section 326.75, subdivision 3, is amended to read:

Subd. 3. [PERMIT FEE.] ~~One~~ Five calendar day days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to one percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily resi-

dences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 21. [REVIEW AND CODIFICATION; LEAD LAWS AND STATUTES.]

The commissioners of health, the pollution control agency, and the housing finance agency in collaboration with the revisor of statutes shall review current lead abatement standards, statutes, laws, and rules, and propose a reorganization and recodification to the legislature by January 10, 1995.

Sec. 22. [PROPOSAL FOR FEDERAL CONFORMING LEGISLATION.]

The commissioners of the pollution control agency, and the department of health shall monitor federal rules proposed and adopted for lead hazard reduction of public buildings and structures under title X, of the federal Residential Lead-Based Paint Hazard Reduction Act of 1992, Public Law Number 102-550. The commissioner of health shall report to the legislature by January 10, 1995, with a legislative proposal to bring Minnesota law into conformance with the federal requirements for accreditation of training, inspection, contracting, and employment. The proposal shall be developed jointly with the commissioners of other affected agencies.

Sec. 23. [FEDERAL TRAINING GRANTS.]

The commissioner shall identify and apply for federal grants to subsidize the cost of the current lead abatement training program and to increase the number of certified trainers. The commissioner shall take necessary actions to expand the number of certified trainers, and increase the capacity of the current lead abatement training program to train and certify contractors and employees as required under section 144.876, subdivision 1, and rules adopted under section 144.878, subdivision 5.

Sec. 24. [REPEALER.]

(a) Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09, are repealed.

(b) Laws 1993, First Special Session chapter 1, article 9, section 49, is repealed.

Sec. 25. [RULE DELAY.]

The requirement for testing of intact paint found in Minnesota Rules, part 4761.0100, "Applicability," paragraph C, shall not take effect until July 1, 1995.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 25 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to lead and asbestos abatement; amending Minnesota Statutes 1992, sections 144.871, subdivision 3, and by adding subdivisions; and 144.878, by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 16B.61, subdivision 3; 144.871, subdivision 2; 144.872, subdivisions 2 and 4; 144.873,

subdivision 1; 144.874, subdivisions 1, 3, 3a, and 11a; 144.8771, subdivision 2; 144.878, subdivisions 2 and 5; 326.71, subdivision 4; and 326.75, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09; Laws 1993, First Special Session chapter 1, article 9, section 49."

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

Senate Conferees: (Signed) Sam G. Solon, Jim Vickerman, Duane D. Benson

House Conferees: (Signed) Karen Clark, Carlos Mariani, Eileen Tompkins

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2710 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2710 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 3079 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3079: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to make subgrants of certain money; amending Minnesota Statutes 1992, section 84.085, subdivision 1; repealing Minnesota Statutes 1992, section 88.063.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2234 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2234: A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money; amending Minnesota Statutes 1992, sections 116P.05, subdivision 2; 116P.08, subdivisions 6 and 7; and 116P.09, subdivision 4; Minnesota Statutes 1993 Supplement, section 116P.11; Laws 1993, chapter 172, section 14, subdivisions 4 and 11.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2762 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2762: A bill for an act relating to traffic regulations; regulating use and operation of Head Start school buses; amending Minnesota Statutes 1992,

sections 169.01, by adding a subdivision; 169.28, subdivision 1; 169.441, subdivisions 2 and 4; 169.442, subdivision 5; 169.443, subdivisions 5 and 6; 169.447; 169.448, subdivisions 1 and 3; 169.451; 169.64, subdivision 8; 169.781, subdivision 1; 169.87, subdivision 3; 171.01, by adding a subdivision; 171.3215; 221.011, subdivision 21; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 171.321, subdivision 2; 221.025; and 221.031, subdivision 3b.

Ms. Ranum moved to amend H.F. No. 2762, as amended pursuant to Rule 49, adopted by the Senate March 31, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2510.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A school bus may be type I A, type B, type C, or type D, type II, or type III as follows:

(a) A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons.

(b) A "type II school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus.

(1) a "type A school bus" is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons;

(2) a "type B school bus" is a conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels;

(3) a "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designated for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels;

(4) a "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship or rear, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be at the rear of the bus, behind the rear wheels, or midship between the front and rear axles. The entrance door is ahead of the front wheels; and

(e) (5) type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manu-

facturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus.

Sec. 2. Minnesota Statutes 1992, section 169.01, is amended by adding a subdivision to read:

Subd. 79. [HEAD START BUS.] "Head Start bus" means a motor vehicle used to transport children and parents to or from a Head Start facility, or to or from Head Start-related activities, by the Head Start grantee, or by someone under an agreement with the Head Start grantee. A Head Start bus does not include a motor vehicle transporting children or parents to or from a Head Start facility for which parents or guardians receive direct compensation from a Head Start grantee, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7. A Head Start bus may be a type A, B, C, or D bus or type III bus, as described in subdivision 6.

A Head Start bus manufactured after December 31, 1994, must meet the same standards as a type A, B, C, or D school bus, except that a Head Start bus is not required to be equipped with the warning signals required for a school bus under section 169.442, subdivision 1. A Head Start bus must be painted colors other than national school bus yellow.

Sec. 3. Minnesota Statutes 1992, section 169.28, subdivision 1, is amended to read:

Subdivision 1. [STOP REQUIRED.] The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle carrying explosive substances or flammable liquids, or liquid gas under pressure as a cargo or part of a cargo, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than ten feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching train, and for signals indicating the approach of a train, except as hereinafter provided, and shall not proceed until safe to do so.

A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

Sec. 4. Minnesota Statutes 1992, section 169.441, is amended by adding a subdivision to read:

Subd. 2a. [HEAD START BUSES; COLOR; IDENTIFICATION.] (a) A Head Start bus is exempt from the color requirements of this chapter.

(b) A type A, B, C, or D Head Start bus must bear on its front and rear a plainly visible sign containing the words "Head Start bus" in letters at least eight inches in height.

Sec. 5. Minnesota Statutes 1992, section 169.441, subdivision 4, is amended to read:

Subd. 4. ["MN" DESIGNATION IN BUS BODY SERIAL NUMBER.] School bus bodies manufactured after December 31, 1991, and *Head Start bus bodies manufactured after December 31, 1994*; and used on streets and highways in Minnesota must bear the designation "MN" within the bus body identification number. The "MN" designation may be made only by the manufacturer and must not be located on either end of the bus body identification number. The manufacturer of the school bus body certifies by the "MN" designation that the bus body has been manufactured to meet the minimum standards required of school bus bodies and *Head Start bus bodies* by law. A school bus body manufactured before January 1, 1992, that does not bear a current inspection sticker on July 1, 1992, may not be used on streets and highways in Minnesota after July 1, 1992, unless its manufacturer recertifies that the school bus body meets minimum standards required of school bus bodies by law.

Sec. 6. Minnesota Statutes 1992, section 169.442, subdivision 5, is amended to read:

Subd. 5. [WHITE STROBE LAMPS ON SCHOOL BUSES.] Notwithstanding sections 169.55, subdivision 1; 169.57, subdivision 3, paragraph (b), or other law to the contrary, a school bus that is subject to and complies with the color and equipment requirements of subdivision 1 and section 169.441, subdivision 1, or a *Head Start bus that is not a type III bus defined in section 169.01, subdivision 6*, may be equipped with a 360-degree, flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute. The lamp may be used only as provided in this subdivision.

The strobe lamp must be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula. The lamp must be permanently mounted on the longitudinal center line of the bus roof not less than two feet nor more than seven feet forward of the rear roof edge. It must operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use.

The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals or *Head Start bus lamps and signals* so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus or *Head Start bus*. A strobe lamp may not be lighted unless the school bus or *Head Start bus* is actually being used as a school bus or *Head Start bus*.

Sec. 7. Minnesota Statutes 1992, section 169.443, subdivision 5, is amended to read:

Subd. 5. [MOVING BUS AFTER CHILDREN UNLOADED.] When children are getting off a school bus or *Head Start bus*, the driver shall visually determine that they are a safe distance from the bus before moving the bus.

Sec. 8. Minnesota Statutes 1992, section 169.443, subdivision 6, is amended to read:

Subd. 6. [OTHER BUSES.] The driver of a type III school bus or *type III Head Start bus* shall load or unload school children or *Head Start passengers* only from the right-hand side of the vehicle, provided that on a one-way street the driver shall load or unload school children or *Head Start passengers* only

from the curb side of the vehicle. When loading or unloading school children *or Head Start passengers*, the driver shall activate the vehicle's four-way hazard lights described in section 169.59, subdivision 4.

Sec. 9. Minnesota Statutes 1992, section 169.447, is amended to read:

169.447 [SCHOOL BUS AND HEAD START BUS SAFETY.]

Subdivision 1. [PASSENGER SEATING.] (a) The number of pupils or other authorized passengers transported in a school bus *or Head Start bus* must not be more than the number of pupils or passengers that can be fully seated. Seating capacity must be adjusted according to each passenger's individual physical size, but not more than the manufacturers' rated seating capacity.

(b) No person shall stand in the school bus *or Head Start bus* when the bus is in motion.

Subd. 2. [DRIVER SEAT BELTS.] New school buses *and Head Start buses manufactured after December 31, 1994*, must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers *and Head Start bus drivers* must use these seat belts.

Subd. 3. [RECAPPED TIRES.] Recapped tires must not be used on the front wheels of a school bus.

Subd. 4. [AISLE AND EXIT.] The driver of a school bus *or Head Start bus* shall keep the aisle and emergency exit of a school bus *or Head Start bus* unobstructed at all times when children are being transported.

Subd. 5. [TRAILER BEHIND SCHOOL BUS.] A school bus may pull a trailer, as defined by section 169.01, subdivision 10, only when traveling to or from cocurricular or extracurricular activities; as defined in section 123.38.

Subd. 6. [OVERHEAD BOOK RACKS.] Types I A, B, C, and H D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 10. Minnesota Statutes 1992, section 169.448, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS ON APPEARANCE; PENALTY.] A bus that is not used as a school bus may not be operated on a street or highway unless it is painted a color significantly different than national school bus glossy yellow or Minnesota school bus golden orange.

A bus that is not used as a school bus *or Head Start bus* may not be operated if it is equipped with school bus *or Head Start bus*-related equipment and printing.

A violation of this subdivision is a misdemeanor.

This subdivision does not apply to a school bus owned by or under contract to a school district operated as a charter or leased bus.

Sec. 11. Minnesota Statutes 1992, section 169.448, subdivision 3, is amended to read:

Subd. 3. [HEAD START VEHICLES.] Notwithstanding subdivision 1, a vehicle used to transport ~~students~~ *passengers* under Public Law Number

99-425, the Head Start Act, may be equipped as a school bus *or Head Start bus*.

Sec. 12. Minnesota Statutes 1992, section 169.451, is amended to read:

169.451 [SCHOOL BUS INSPECTION; RULES; PENALTY.]

Subdivision 1. [ANNUAL REQUIREMENT.] The Minnesota state patrol shall inspect every school bus *and every Head Start bus* annually to ascertain whether its construction, design, equipment, and color comply with all provisions of law.

Subd. 2. [INSPECTION CERTIFICATE.] No person shall drive, or no owner shall knowingly permit or cause to be driven, any school bus *or Head Start bus* unless there is displayed thereon a certificate issued by the commissioner of public safety stating that on a certain date, which shall be within 13 months of the date of operation, a member of the Minnesota state patrol inspected the bus and found that on the date of inspection the bus complied with the applicable provisions of state law relating to construction, design, equipment, and color.

Subd. 3. [RULES OF COMMISSIONER.] (a) The commissioner of public safety shall provide by rule for the issuance and display of distinctive inspection certificates.

(b) The commissioner of public safety shall provide by rule a point system for evaluating the effect on safety operation of any variance from law detected during ~~school bus~~ inspections conducted pursuant to subdivision 1.

Subd. 4. [VIOLATIONS; PENALTY.] The state patrol shall enforce subdivision 2. A violation of subdivision 2 is a misdemeanor.

Sec. 13. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the ~~color and~~ equipment requirements of sections 169.441, ~~subdivisions subdivision 1 and 2,~~ and 169.442, subdivision 1, *or a Head Start bus that is not a type III bus as defined in section 169.01, subdivision 6.* The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than ~~five~~ *two* feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals *or Head Start bus lamps and signals* so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus *or Head Start bus*. A strobe lamp may not be lighted unless the school bus *or Head Start bus* is actually being used as a school bus *or Head Start bus*; or

(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 14. Minnesota Statutes 1992, section 169.781, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 169.781 to 169.783:

(a) "Commercial motor vehicle" means:

(1) a commercial motor vehicle as defined in section 169.01, subdivision 75, paragraph (a); and

(2) each vehicle in a combination of more than 26,000 pounds.

"Commercial motor vehicle" does not include (1) a school bus or *Head Start bus* displaying a certificate under section 169.451, (2) a bus operated by the metropolitan transit commission created in section 473.404 or by a local transit commission created in chapter 458A, or (3) a motor vehicle with a gross weight of not more than 26,000 pounds, carrying in bulk tanks a total of not more than 200 gallons of petroleum products or liquid fertilizer or pesticide.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

(d) "Storage semitrailer" means a semitrailer that (1) is used exclusively to store property at a location not on a street or highway, (2) does not contain any load when moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked on each side of the semitrailer "storage only" in letters at least six inches high.

(e) "Building mover vehicle" means a vehicle owned or leased by a building mover as defined in section 221.81, subdivision 1, paragraph (a), and used exclusively for moving buildings.

Sec. 15. Minnesota Statutes 1992, section 169.87, subdivision 3, is amended to read:

Subd. 3. [SCHOOL BUSES AND HEAD START BUSES.] Weight restrictions imposed pursuant to subdivisions 1 and 2 do not apply to a school bus or *Head Start bus* transporting students, *Head Start children*, or *Head Start parents* when the gross weight on a single axle of the school bus or *Head Start bus* does not exceed 14,000 pounds; provided that, road authorities may restrict any highway under their jurisdiction to a lesser ~~school bus~~ axle weight by written order to school boards and *Head Start grantees* 24 hours in advance of required compliance with such reduced axle weight.

Sec. 16. Minnesota Statutes 1992, section 171.01, is amended by adding a subdivision to read:

Subd. 27. [HEAD START BUS.] "*Head Start bus*" means a motor vehicle used to transport children or parents to or from a *Head Start facility*, or to or from *Head Start-related activities*, by the *Head Start grantee*, or by someone under an agreement with the *Head Start grantee*. A *Head Start bus* does not

include a motor vehicle transporting children or parents to or from a Head Start facility for which parents or guardians receive direct compensation from a Head Start grantee, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7.

Sec. 17. Minnesota Statutes 1993 Supplement, section 171.321, subdivision 2, is amended to read:

Subd. 2. [RULES; QUALIFICATIONS AND TRAINING.] (a) The commissioner of public safety shall prescribe rules governing the ~~qualifications of individuals to drive school buses~~ *physical qualifications of school bus drivers and tests required to obtain a school bus endorsement*. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

(b) ~~The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.~~

The commissioner of public safety, in conjunction with the commissioner of jobs and training, shall adopt a training program for Head Start bus drivers. Adoption of this program is not subject to chapter 14. The program must provide for initial classroom and behind-the-wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a Head Start agency, the Head Start grantee, a licensed driver training school, or by another person or entity approved by both commissioners.

Sec. 18. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT ENDORSEMENTS FOR CRIME AGAINST MINOR CERTAIN OFFENSES.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(1) (b) "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20,

609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

(c) "Disqualifying offense" includes any felony offense, any criminal violation of chapter 152, any violation under section 609.3451, 609.746, subdivision 1, or 617.23, or a fourth moving violation within a three-year period.

(d) "Head Start bus driver" means a person possessing a valid Minnesota driver's license:

(1) with a passenger endorsement, who drives a Head Start bus;

(2) with a school bus driver's endorsement, who drives a Head Start bus;

or

(3) who drives a vehicle with a seating capacity of ten or fewer persons used as a Head Start bus.

Subd. 2. [CANCELLATION FOR DISQUALIFYING OFFENSE.] ~~The commissioner~~ Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has ~~committed a crime against a minor~~ been convicted of a disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has been convicted of a gross misdemeanor or a violation of section 169.121 or 169.129, and within ten days of revoking a school bus driver's license under section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license for five years. After five years, cancellation of a school bus driver's endorsement for a conviction under section 169.121 or 169.129 shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. Upon canceling the offender's school bus driver's endorsement, the ~~department~~ commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 2a. [CANCELLATION FOR CRIME AGAINST MINOR.] Within ten days of receiving notice that a Head Start bus driver has committed a crime against a minor, the commissioner shall permanently cancel the passenger endorsement on the offender's driver's license. Upon canceling the offender's passenger endorsement, the commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon. For purposes of this subdivision, "crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.

Subd. 3. [BACKGROUND CHECK.] Before issuing or renewing a driver's license with a school bus driver's endorsement, the department shall conduct an investigation to determine whether the applicant has been convicted of committing a crime against a minor. The department shall not issue a new bus

driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a crime against a minor.

Sec. 19. Minnesota Statutes 1992, section 221.011, subdivision 21, is amended to read:

Subd. 21. [CHARTER CARRIER.] "Charter carrier" means a person who engages in the business of transporting the public by motor vehicle under charter. The term "charter carrier" does not include regular route common carriers of passengers, school buses or *Head Start buses* described in section 221.025, clause (a), or persons providing limousine service described in section 221.84.

Sec. 20. Minnesota Statutes 1993 Supplement, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451 *and the transportation of children or parents to or from a Head Start facility or Head Start activity in a Head Start bus inspected and certified under section 169.451;*

(b) the transportation of solid waste, as defined in section 116.06, subdivision 22, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances; and tow trucks equipped with proper and legal warning devices when picking up and transporting (1) disabled or wrecked motor vehicles or (2) vehicles towed or transported under a towing order issued by a public employee authorized to issue a towing order;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) the transportation of fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) the transportation of property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board; and

(o) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 21. Minnesota Statutes 1993 Supplement, section 221.031, subdivision 3b, is amended to read:

Subd. 3b. [PASSENGER TRANSPORTATION; EXEMPTIONS.] (a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the rules adopted in section 221.0314 by any other provision of this section, must comply with the rules for hours of service of drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.

(b) This subdivision does not apply to:

- (1) a local transit commission;
- (2) a transit authority created by law; or
- (3) persons providing transportation:

(i) in a school bus as defined in section 169.01, subdivision 6;

(ii) in a Head Start bus as defined in section 169.01, subdivision 79;

(iii) in a commuter van;

~~(iii)~~ (iv) in an authorized emergency vehicle as defined in section 169.01, subdivision 5;

~~(iv)~~ (v) in special transportation service certified by the commissioner under section 174.30;

(v) (vi) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver operating a private passenger vehicle as defined in section 169.01, subdivision 3a;

(vi) (vii) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(vii) (viii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 22. Minnesota Statutes 1992, section 631.40, is amended by adding a subdivision to read:

Subd. 1b. [CRIME AGAINST MINOR.] When a person is convicted of committing a crime against a minor as defined in section 171.3215, subdivision 2a, the court shall order that the presentence investigation include information about whether the offender is a Head Start bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a passenger endorsement on the offender's driver's license, and for what Head Start agency the offender drives a Head Start bus. If the offender is a Head Start bus driver or possesses a Head Start bus driver's passenger endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the Head Start agency for which the offender drives a Head Start bus."

Delete the title and insert:

"A bill for an act relating to traffic regulations; regulating use and operation of Head Start buses; amending Minnesota Statutes 1992, sections 169.01, subdivision 6, and by adding a subdivision; 169.28, subdivision 1; 169.441, subdivision 4, and by adding a subdivision; 169.442, subdivision 5; 169.443, subdivisions 5 and 6; 169.447; 169.448, subdivisions 1 and 3; 169.451; 169.64, subdivision 8; 169.781, subdivision 1; 169.87, subdivision 3; 171.01, by adding a subdivision; 171.3215; 221.011, subdivision 21; and 631.40, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 171.321, subdivision 2; 221.025; and 221.031, subdivision 3b."

The motion prevailed. So the amendment was adopted.

H.F. No. 2762 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2316 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2316: A bill for an act relating to the state board of investment; management of funds under the board's control; limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment; 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; 354B.07, subdivision 2; 356A.06, subdivision 7; and 422A.05, subdivision 2c; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 352D.04, subdivision 1; 352D.09, subdivision 8; and 354B.05, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 392 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 392: A bill for an act relating to public safety; requiring installation of automatic sprinkler systems in certain existing high-rise buildings; proposing coding for new law in Minnesota Statutes, chapter 299F.

Mr. Kroening moved to amend H.F. No. 392, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 374.)

Page 2, line 16, delete "or"

Page 2, line 17, before the period, insert "; or

(7) areas utilized for surgery, surgical recovery, emergency backup power systems, and electrical closets within facilities licensed under chapter 144"

Page 2, line 18, after "(c)" insert "*Subdivision 1 does not apply to a residential building in which at least 70 percent of the dwelling units are owner-occupied.*

(d)"

Page 2, line 24, delete "(d)" and insert "(e)"

Page 3, line 13, after "(b)" insert "*As an alternative to the schedule in paragraph (a), a person or entity that owns more than one building subject to this section may comply with this section by following the schedule in this paragraph:*

Years after effective date

Percent of buildings owned by person or entity with operational automatic sprinkler system protected by an accepted alternative method

6 years	25 percent
9 years	50 percent
12 years	75 percent
15 years	100 percent

(c)"

Page 3, line 18, delete "(c)" and insert "(d)"

The motion prevailed. So the amendment was adopted.

Ms. Wiener moved to amend H.F. No. 392, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 374.)

Page 2, line 16, delete "or"

Page 2, line 17, before the period, insert " ; or

(7) a residential structure built to type 1 or type 2 noncombustible construction standards using steel, iron, concrete, or masonry structural elements with fire-resistive walls, floors, and ceilings and in which smoke detectors, fire extinguishers, and fire alarm systems are installed in accordance with the Minnesota state fire code"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Merriam	Piper	Stevens
Berg	Hanson	Mondale	Pogemiller	Stumpf
Berglin	Krentz	Morse	Ranum	Terwilliger
Cohen	Langseth	Oliver	Riveness	Vickerman
Day	Larson	Pappas	Robertson	Wiener
Dille	Lesewski	Pariseau	Runbeck	

Those who voted in the negative were:

Adkins	Benson, D.D.	Beizold	Frederickson	Johnson, D.E.
Beckman	Benson, J.E.	Chandler	Hottinger	Johnson, D.J.
Belanger	Bertram	Flynn	Janezich	Johnston

Kiscaden	Lessard	Metzen	Price	Solon
Knutson	Luther	Moe, R.D.	Reichgott Junge	
Kroening	Marty	Murphy	Sams	
Laidig	McGowan	Novak	Samuelson	

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

Mr. Mondale moved to amend H.F. No. 392, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 374.)

Page 2, line 16, delete "or"

Page 2, line 17, before the period, insert "; or

(7) a building constructed before 1935 that has an operational standpipe system that meets current type 1 or type 2 noncombustible construction standards using steel, iron, concrete, or masonry elements with fire-resistive walls, floors, and ceilings and in which smoke detectors and fire alarm systems are installed in accordance with the Minnesota fire code"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Mondale	Riveness	Spear
Berglin	Finn	Morse	Robertson	Stevens
Chandler	Flynn	Pappas	Runbeck	Stumpf
Cohen	Krentz	Pogemiller	Samuelson	Wiener
Day	Merriam	Ranum	Solon	

Those who voted in the negative were:

Adkins	Frederickson	Kiscaden	Luther	Oliver
Beckman	Hanson	Knutson	Marty	Pariseau
Belanger	Hottinger	Kroening	McGowan	Piper
Benson, D.D.	Janezich	Laidig	Metzen	Price
Benson, J.E.	Johnson, D.E.	Langseth	Moe, R.D.	Reichgott Junge
Berg	Johnson, D.J.	Larson	Murphy	Sams
Bertram	Johnson, J.B.	Lesewski	Neuvillie	Terwilliger
Betzold	Johnston	Lessard	Novak	Vickerman

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

Ms. Wiener moved to amend H.F. No. 392, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 374.)

Page 2, line 35, delete "three" and insert "eight"

Page 3, line 9, delete "6" and insert "11"

Page 3, line 10, delete "9" and insert "14"

Page 3, line 11, delete "12" and insert "17"

Page 3, line 12, delete "15" and insert "20"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, J.B.	Merriam	Pariseau	Solon
Berglin	Krentz	Mondale	Piper	Spear
Betzold	Larson	Morse	Riveness	Terwilliger
Cohen	Lesewski	Oliver	Runbeck	Wiener
Dille	McGowan	Pappas	Samuelson	

Those who voted in the negative were:

Adkins	Day	Johnson, D.J.	Luther	Price
Beckman	Finn	Johnston	Marty	Ranum
Belanger	Flynn	Kiscaden	Metzen	Reichgott Junge
Benson, D.D.	Frederickson	Knutson	Moe, R.D.	Robertson
Benson, J.E.	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Neuville	Stevens
Bertram	Janezich	Langseth	Novak	Vickerman
Chandler	Johnson, D.E.	Lessard	Pogemiller	

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

Ms. Wiener then moved to amend H.F. No. 392, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 374.)

Page 1, line 9, delete "an" and insert "any"

Page 1, line 10, delete everything after "building"

Page 1, delete line 11

Page 1, line 12, delete everything before the period

Page 1, delete lines 20 to 25

Page 2, delete lines 1 to 30

Renumber the subdivisions in sequence and correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 5 and nays 57, as follows:

Those who voted in the affirmative were:

Cohen	Dille	Pappas	Piper	Wiener
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Those who voted in the negative were:

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

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

H.F. No. 392 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 11, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Krentz	Pappas	Runbeck	Wiener
Cohen	Merriam	Robertson	Spear	
Dille	Neuville			

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2567 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Mr. Price moved to amend H.F. No. 2567 as follows:

Page 1, after line 22, insert:

“Sec. 2. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to 12 hours of accrued vacation leave for the benefit of a state department of military affairs employee whose efforts to aid victims of an automobile accident resulted in his total disability in January 1994. The vacation hours donated must be credited to the sick leave account of the receiving state employee. If the receiving state employee uses all donated time, additional hours, up to 50 hours per employee, of accrued vacation leave time may be donated.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the accrued vacation time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued vacation leave time is irrevocable once it has been transferred to the recipient's account.”

Page 1, after line 25, insert:

“Section 2 is effective the day following final enactment.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2567 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 57 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, D.D.	Benson, J.E.	Kiscaden	Merriam	Robertson
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So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2485, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2485 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 28, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2485

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; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; 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; 103L.101, subdivision 5; 103L.205, subdivision 1; 103L.208; and 103L.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18B.135, subdivision 1; 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.

April 26, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2485, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 2485 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 3.887, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] (a) The legislative water commission shall review water policy reports and recommendations of the environmental quality board, the biennial report of the board of water and soil resources, and other water-related reports as may be required by law or the legislature.

(b) The commission shall oversee the activities of the pollution control agency under sections 116.16 to 116.181 relating to water pollution control.

(c) The commission may conduct public hearings and otherwise secure data and comments.

(d) *The commission shall hold annual hearings on issues relating to groundwater including, in every even-numbered year, a hearing on the groundwater policy report required by section 103A.204.*

(e) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(e) (f) Data or information compiled by the legislative water commission or its subcommittees shall be made available to the legislative commission on Minnesota resources and standing and interim committees of the legislature on request of the chair of the respective commission or committee.

Sec. 2. Minnesota Statutes 1992, section 3.887, subdivision 6, is amended to read:

Subd. 6. [STUDY REVIEW OF POLICY REPORT.] The legislative water commission shall study the recommendations of the environmental quality board for the management and protection of water resources in the state, and shall report its findings to the legislative commission on Minnesota resources and the legislature by November 15, 1991, on the state's water management needs for the year 2000 hold a hearing on the groundwater policy report submitted every even-numbered year by the environmental quality board under section 103A.204.

Sec. 3. Minnesota Statutes 1992, section 3.887, subdivision 8, is amended to read:

Subd. 8. [REPEALER.] This section is repealed effective June 30, 1995 1999.

Sec. 4. Minnesota Statutes 1992, section 17.114, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] To assure the viability of agriculture in this state, the commissioner shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of agriculture in this state. *The department of agriculture is the lead state agency on sustainable agriculture has the meaning given to it in Laws 1987, chapter 396, article 12, section 6 and integrated pest management.*

Sec. 5. Minnesota Statutes 1992, section 17.114, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) The commissioner shall:

(1) establish a clearinghouse and provide information, appropriate educational opportunities and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(2) survey producers and support services and organizations to determine information and research needs in the area of sustainable agricultural practices;

(3) demonstrate the on-farm applicability of sustainable agriculture practices to conditions in this state;

(4) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(5) direct the programs of the department so as to work toward the sustainability of agriculture in this state;

(6) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(7) work closely with farmers, the University of Minnesota, and other appropriate organizations to identify opportunities and needs as well as assure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to sustainable agriculture; and

(8) report to the ~~legislature~~ *environmental quality board for review and then to the legislative water commission every odd-numbered even-numbered year.*

(b) The report under paragraph (a), clause (8), must include:

(1) the presentation and analysis of findings regarding the current status and trends regarding the economic condition of producers; the status of soil and water resources utilized by production agriculture; the magnitude of off-farm inputs used; and the amount of nonrenewable resources used by Minnesota farmers;

(2) a description of current state or federal programs directed toward sustainable agriculture including significant results and experiences of those programs;

(3) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;

(4) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(5) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Sec. 6. Minnesota Statutes 1992, section 17.114, is amended by adding a subdivision to read:

Subd. 3a. [SUSTAINABLE AGRICULTURE ADVISORY COMMITTEE.] (a) The commissioner shall establish a sustainable agriculture advisory committee to assist in carrying out the duties in subdivision 3. The committee must include farmers, higher education representatives with expertise in sustainable agriculture, officials from other state agencies, representatives from the agricultural utilization research institute, private sector agricultural professionals, and representatives from environmental and agricultural interest groups. Terms, compensation, and removal of members are governed by section 15.059.

(b) This subdivision is repealed effective December 31, 1999.

Sec. 7. Minnesota Statutes 1992, section 17.114, subdivision 4, is amended to read:

Subd. 4. [INTEGRATED PEST MANAGEMENT.] (a) The state shall promote and facilitate the use of integrated pest management through education, technical or financial assistance, information and research.

(b) The commissioner shall coordinate the development of a state approach to the promotion and use of integrated pest management, which shall include delineation of the responsibilities of the state, public post-secondary institutions, Minnesota extension service, local units of government, and the private sector; establishment of information exchange and integration; procedures for identifying research needs and reviewing and preparing informational materials; procedures for factoring integrated pest management into state laws, rules, and uses of pesticides; and identification of barriers to adoption.

(c) The commissioner shall report to the ~~governor and legislature by November 15, 1990, and on a biennial basis thereafter~~ environmental quality board for review and then to the legislative water commission every even-numbered year. The report shall be combined with the report required in subdivision 3.

Sec. 8. Minnesota Statutes 1992, section 18B.045, subdivision 1, is amended to read:

*Subdivision 1. [DEVELOPMENT.] The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the detection of pesticides or pesticide breakdown products in groundwater and surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water. *Beginning September 1, 1994, and biennially thereafter, the commissioner must submit a status**

report on the plan to the environmental quality board for review and then to the legislative water commission.

Sec. 9. Minnesota Statutes 1993 Supplement, section 18B.135, subdivision 1, is amended to read:

Subdivision 1. [ACCEPTANCE OF PESTICIDE CONTAINERS.] (a) A person distributing, offering for sale, or selling a pesticide must accept empty pesticide containers from a pesticide end user if:

(1) ~~the pesticide was purchased~~ *person does not participate in a designated collection program for pesticide containers after July 1, 1994;*

(2) *the empty container is prepared for disposal in accordance with label instructions and is returned to the place of purchase within the state; and*

(3) *a collection site that is seasonably accessible on multiple days has not been designated either by the county board or by agreement with other counties, the agricultural chemical dealer(s) in their respective counties, or the commissioner for the public to return empty pesticide containers for the purpose of reuse or recycling or following other approved management practices for pesticide containers in the order of preference established in section 115A.02, paragraph (b), and the county or counties have notified the commissioner of their intentions annually by February 1, in writing, to manage the empty pesticide containers.*

(b) This subdivision does not prohibit the use of refillable and reusable pesticide containers.

(c) ~~If a county or counties designate a collection site as provided in paragraph (a), clause (3).~~ A person who has been notified by the county or counties of the designated collection site and who sells pesticides to a pesticide end user must notify purchasers of pesticides at the time of sale of the date and location designated for disposal of empty containers.

(d) For purposes of this section, pesticide containers do not include containers that have held sanitizers and disinfectants, *containers made of metal or paper, plastic bags, bag-in-a-box, water soluble bags, and aerosol packaging*, pesticides labeled primarily for use on humans or pets, or pesticides not requiring dilution or mixing.

Sec. 10. Minnesota Statutes 1993 Supplement, section 18E.06, is amended to read:

18E.06 [REPORT TO WATER COMMISSION.]

By ~~November~~ *September 1, 1990* 1994, and each year thereafter, the agricultural chemical response compensation board and the commissioner shall submit to the house of representatives committee on ways and means, the senate committee on finance, *the environmental quality board*, and the legislative water commission a report detailing the activities and reimbursements for which money from the account has been spent during the previous year.

Sec. 11. [103A.204] [GROUNDWATER POLICY.]

(a) *The responsibility for the protection of groundwater in Minnesota is vested in a multi-agency approach to management. The following is a list of agencies and the groundwater protection areas for which the agencies are*

primarily responsible; the list is not intended to restrict the areas of responsibility to only those specified:

(1) *environmental quality board: creation of a water resources committee to coordinate state groundwater protection programs and a biennial groundwater policy report beginning in 1994 that includes, for the 1994 report, the findings in the groundwater protection report coordinated by the pollution control agency for the Environmental Protection Agency;*

(2) *pollution control agency: water quality monitoring and reporting and the development of best management practices and regulatory mechanisms for protection of groundwater from nonagricultural chemical contaminants;*

(3) *department of agriculture: sustainable agriculture, integrated pest management, water quality monitoring, and the development of best management practices and regulatory mechanisms for protection of groundwater from agricultural chemical contaminants;*

(4) *board of water and soil resources: reporting on groundwater education and outreach with local government officials, local water planning and management, and local cost share programs;*

(5) *department of natural resources: water quantity monitoring and regulation, sensitivity mapping, and development of a plan for the use of integrated pest management and sustainable agriculture on state-owned lands; and*

(6) *department of health: regulation of wells and borings, and the development of health risk limits under section 103H.201.*

(b) *The environmental quality board shall through its water resources committee coordinate with representatives of all agencies listed in paragraph (a), citizens, and other interested groups to prepare a biennial report every even-numbered year as part of its duties described in sections 103A.43 and 103B.151.*

Sec. 12. Minnesota Statutes 1992, section 103A.43, is amended to read:

103A.43 [WATER RESEARCH NEEDS EVALUATION ASSESSMENTS AND REPORTS.]

(a) The environmental quality board shall evaluate and report to the legislative water commission and the legislative commission on Minnesota resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.

(b) The environmental quality board shall ~~conduct~~ coordinate a biennial assessment of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water.

(c) The environmental quality board shall ~~assess~~ coordinate an assessment of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

(d) The environmental quality board shall ~~prepare~~ coordinate and submit a report on water policy to the legislative water commission and the legislative commission on Minnesota resources by September 15 of each ~~odd-numbered~~ even-numbered year. The report may include the groundwater policy report in section 103A.204.

Sec. 13. Minnesota Statutes 1992, section 103B.151, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The environmental quality board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan ~~adopted prepared by the water planning environmental quality board board's water resources committee~~ entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979" including a new plan and strategy "Minnesota Water Plan," published in January 1991, by November September 15, 1990 2000, and each five-year ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) ~~in cooperation with state agencies participating in the monitoring of water resources, develop a plan for monitoring the state's water resources;~~

~~(6)~~ administer federal water resources planning with multiagency interests;

~~(7)~~ (6) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

~~(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;~~

~~(9)~~ (7) coordinate the development and evaluation of water information and education materials and resources; and

~~(10)~~ (8) coordinate the dissemination of water information and education through existing delivery systems.

Sec. 14. [103F.461] [GROUNDWATER EDUCATION.]

(a) *In each even-numbered year, the board of water and soil resources must review groundwater education activities with local units of government and develop recommendations for improvement in a report to the environmental quality board for review and then to the legislative water commission as part of the groundwater policy report in section 103A.204. The board must work with agencies and interested groups with responsibility for groundwater education in preparing the report.*

(b) *The board must ensure that the biennial review of groundwater education with local units of government is coordinated with the Minnesota environmental education advisory board and the nonpoint source education and information strategy of the pollution control agency.*

(c) Grants for innovative groundwater education strategies to local units of government identified in this section may be awarded by the board of water and soil resources.

Sec. 15. Minnesota Statutes 1992, section 103G.271, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION ON ONCE-THROUGH WATER USE PERMITS.] (a) The commissioner may not, after December 31, 1990, issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system using in excess of 5,000,000 gallons annually.

(b) Except as provided in paragraph (c), once-through system water use permits using in excess of 5,000,000 gallons annually, must be terminated by the commissioner by the end of their design life but not later than December 31, 2010. Existing once-through systems are required to convert to water efficient alternatives within the design life of existing equipment. ~~The commissioner shall, by August 1, 1990, submit to the legislative water commission for review the approach by which the commissioner will achieve appropriate conversion of the systems after considering the age of the system, the condition of the system, recent investments in the system, and feasibility and costs of alternatives available to replace usage of a once-through system.~~

(c) Paragraph (b) does not apply where groundwater appropriated for use in a once-through system is subsequently discharged into a wetland or public waters wetland owned or leased by a nonprofit corporation if:

- (1) the membership of the corporation includes a local government unit;
- (2) the deed or lease requires that the area containing the wetland or public waters wetland be maintained as a nature preserve;
- (3) public access is allowed consistent with the area's status as a nature preserve; and
- (4) by January 1, 2003, the permittee incurs costs of developing the nature preserve and associated facilities that, when discounted to 1992 dollars, exceed twice the projected cost, as determined by the commissioner, of the conversion required in paragraph (b), discounted to 1992 dollars.

The costs incurred under clause (4) may include preparation of plans and designs; site preparation; construction of wildlife habitat structures; planting of trees and other vegetation; installation of signs and markers; design and construction of trails, docks, and access structures; and design and construction of interpretative facilities. The permittee shall submit an estimate of the cost of the conversion required in paragraph (b) to the commissioner by January 1, 1993, and shall annually report to the commissioner on the progress of the project and the level of expenditures.

Sec. 16. Minnesota Statutes 1992, section 103H.175, is amended by adding a subdivision to read:

Subd. 3. [REPORT.] *In each even-numbered year, the pollution control agency, in cooperation with other agencies participating in the monitoring of water resources, shall provide a draft report on the status of groundwater monitoring to the environmental quality board for review and then to the legislative water commission as part of the report in section 103A.204.*

Sec. 17. Minnesota Statutes 1992, section 103H.201, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] (a) If groundwater quality monitoring results show that there is a degradation of groundwater, the commissioner of health may promulgate health risk limits under subdivision 2 for substances degrading the groundwater.

(b) Health risk limits shall be determined by two methods depending on their toxicological end point.

(c) For systemic toxicants that are not carcinogens, the adopted health risk limits shall be derived using United States Environmental Protection Agency risk assessment methods using a reference dose, a drinking water equivalent, ~~an uncertainty factor, and a factor for relative source contamination, which in general will measure an estimate of daily exposure to the human population, including sensitive subgroups, that is unlikely to result in deleterious effects during long-term exposure contribution factor.~~

(d) For toxicants that are known or probable carcinogens, the adopted health risk limits shall be derived from a quantitative estimate of the chemical's carcinogenic potency published by the United States Environmental Protection Agency's ~~carcinogen assessment group~~ Agency and ~~determined by the commissioner to have undergone thorough scientific review.~~

Sec. 18. Minnesota Statutes 1992, section 103H.201, subdivision 4, is amended to read:

Subd. 4. [ADOPTION OF EXISTING RECOMMENDED ALLOWABLE LIMITS.] (a) Notwithstanding and in lieu of subdivision 2, ~~until November 1, 1994, the commissioner may adopt recommended allowable limits, and related toxicological end points, established by the commissioner on or before May 1, 1989 February 15, 1994, as health risk limits under this subdivision. Before a recommended allowable limit is adopted as an adopted health risk limit under this subdivision, the commissioner shall:~~

(1) publish in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts notice of intent to adopt a recommended allowable limit as an adopted health risk limit for specific substances and shall solicit information on the health impacts of the substance;

(2) publish the recommended allowable limit in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts allowing 60 days for public comment; and

(3) publish the *adopted* recommended allowable limit in the State Register and, at the same time, make available a summary of the public comments received and the commissioner's responses to the comments.

(b) A recommended allowable limit adopted by the commissioner as an adopted health risk limit under this subdivision may be challenged in the manner provided in sections 14.44 and 14.45.

(c) ~~After July 1, 1991, and before September 1, 1991~~ During the comment period under paragraph (a), clause (2), 25 or more persons may submit a written request for a public hearing as provided under section 14.25 for any health risk limits as adopted under this subdivision.

Sec. 19. Minnesota Statutes 1992, section 103L.101, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt rules including:

(1) issuance of licenses for:

(i) qualified well contractors, persons modifying or repairing well casings, well screens, or well diameters;

(ii) persons constructing, repairing, and sealing unconventional wells such as drive points or dug wells;

(iii) persons constructing, repairing, and sealing dewatering wells;

(iv) persons sealing wells; and

(v) persons installing well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders;

(2) issuance of registration for monitoring well contractors;

(3) establishment of conditions for examination and review of applications for license and registration;

(4) establishment of conditions for revocation and suspension of license and registration;

(5) establishment of minimum standards for design, location, construction, repair, and sealing of wells to implement the purpose and intent of this chapter;

(6) establishment of a system for reporting on wells and borings drilled and sealed;

~~(7) modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128;~~

~~(8)~~ establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination, for which the commissioner may adopt emergency rules;

~~(9)~~ (8) establishment of wellhead protection measures for wells serving public water supplies;

~~(10)~~ (9) establishment of procedures to coordinate collection of well data with other state and local governmental agencies;

~~(11)~~ (10) establishment of criteria and procedures for submission of well logs, formation samples or well cuttings, water samples, or other special information required for and water resource mapping; and

~~(12)~~ (11) establishment of minimum standards for design, location, construction, maintenance, repair, sealing, safety, and resource conservation related to borings, including exploratory borings as defined in section 103L.005, subdivision 9.

Until the commissioner adopts rules under this chapter to replace rules relating to wells and borings that were adopted under chapter 156A, the rules adopted under chapter 156A shall remain in effect.

Sec. 20. Minnesota Statutes 1992, section 103I.205, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIRED.] (a) Except as provided in paragraphs (d) and (e), a person may not construct a well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 103I.208. If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the successful well has substantially changed.

(b) The property owner, the property owner's agent, or the well contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells unless the commissioner has delegated the permitting or notification authority under section 103I.111.

(d) A person who is an individual that constructs a drive point well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers.

(e) A person may not construct a monitoring well ~~or dewatering well~~ until a permit is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well.

Sec. 21. Minnesota Statutes 1992, section 103I.208, is amended to read:

103I.208 [WELL NOTIFICATION FILING FEES AND PERMIT FEES.]

Subdivision 1. [WELL NOTIFICATION FEE.] The well notification fee to be paid by a property owner is:

(1) for a new well ~~drilled that produces less than 50 gallons a minute based on the actual capacity of the pump installed~~, \$50; and

(2) for a new well ~~that produces 50 gallons a minute or more based on the actual capacity of the pump installed~~, \$100; and

(2) for construction of a dewatering well, \$100 for each well except a dewatering project comprising five or more wells shall be assessed a single fee of \$500 for the wells recorded on the notification.

Subd. 2. [PERMIT FEE.] The permit fee to be paid by a property owner is:

(1) for a well that is not in use under a maintenance permit, ~~\$50~~ \$100 annually;

(2) for construction of a monitoring well, ~~\$50~~ \$100;

(3) for a monitoring well that is unsealed under a maintenance permit, ~~\$50~~ \$100 annually;

(4) for monitoring wells used as a leak detection device at a single motor fuel retail outlet or petroleum bulk storage site excluding tank farms, the construction permit fee is ~~\$50~~ \$100 per site regardless of the number of wells constructed on the site, and the annual fee for a maintenance permit for unsealed monitoring wells is ~~\$50~~ \$100 per site regardless of the number of monitoring wells located on site;

(5) for a groundwater thermal exchange device, in addition to the notification fee for wells, ~~\$50~~ \$100;

(6) for a vertical heat exchanger, ~~\$50~~ \$100;

~~(7) for construction of the dewatering well, \$50 for each well except a dewatering project comprising more than ten wells shall be issued a single permit for the wells recorded on the permit for \$500; and~~

~~(8) (7) for a dewatering well that is unsealed under a maintenance permit, \$25 \$100 annually for each well, except a dewatering project comprising more than ten five wells shall be issued a single permit for \$250 \$500 annually for wells recorded on the permit.~~

Sec. 22. Minnesota Statutes 1992, section 1031.235, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) 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 all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front

or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515A.

(f) For an area owned in common under chapter 515 or 515A the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision.

(h) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(i) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of \$40 \$20 for receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health \$7.50 \$17.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(j) No new well disclosure certificate is required under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or

seller, certifies on the deed or other instrument of conveyance that the status and number of wells on the property have not changed since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(k) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(l) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 23. Minnesota Statutes 1992, section 103I.331, subdivision 6, is amended to read:

Subd. 6. [REPEALER.] This section is repealed effective June 30, 1995 1996.

Sec. 24. Minnesota Statutes 1992, section 103I.401, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct an elevator shaft until a permit for the hole or excavation is issued by the commissioner.

(b) The fee for excavating holes for the purpose of installing elevator shafts is ~~\$50~~ \$100 for each hole.

(c) The elevator shaft permit preempts local permits except local building permits, and counties and home rule charter or statutory cities may not require a permit for elevator shaft holes or excavations.

Sec. 25. Minnesota Statutes 1993 Supplement, section 115B.20, subdivision 6, is amended to read:

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

Sec. 26. [APPLICATION OF TECHNIQUES ON STATE LAND.]

(a) *The commissioner of natural resources must, by September 1, 1995,*

prepare a plan on the optimum use of sustainable agriculture and integrated pest management techniques to be applied on lands owned by the state.

(b) The commissioner of natural resources shall appoint a task force of interagency staff and interested citizens to develop the plan including a review of the requirements of Minnesota Statutes, sections 17.114, subdivision 4, paragraph (b) and 18B.063. The task force is subject to Minnesota Statutes, section 15.059.

(c) At a minimum, the plan must address specific practices for sustainable agriculture and integrated pest management to be applied on state-owned lands, including any funding recommendations.

(d) The commissioner of natural resources must present the plan to the environmental quality board for review and then to the legislative water commission in 1995.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 103F.460, is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 17 and 18 are effective the day following final enactment."

Delete the title and insert:

"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; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; 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 18B.135, subdivision 1; 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."

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

House Conferees: (Signed) Willard Munger, Steve Trimble, Virgil J. Johnson.

Senate Conferees: (Signed) Leonard R. Price, Steven Morse, Steve Dille

Mr. Price moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2485 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2485 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2709, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 2709: A bill for an act relating to agriculture; amending provisions regarding the pricing of certain dairy products; amending Minnesota Statutes 1993 Supplement, section 32.72.

Senate File No. 2709 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1994

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2104, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 2104 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1994

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 3011.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 28, 1994

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 3011: A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63,

subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2680, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 2929: A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, by adding a subdivision.

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

Page 1, line 18, delete "\$1,200,000" and insert "\$500,000"

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2951: A bill for an act relating to health care financing; modifying provisions for enrollment in the MinnesotaCare program; establishing a health care access reserve account; transferring money; amending Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3.

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1316: A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

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

SECOND READING OF SENATE BILLS

S.F. No. 2929 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2951 and 1316 were read the second time.

MOTIONS AND RESOLUTIONS – CONTINUED

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 2724. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Dille be added as a co-author to S.F. No. 2724. The motion prevailed.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2710, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2710 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 28, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2710

A bill for an act relating to state government; requiring the commissioner of administration to study and report on the best way to increase electronic services to citizens; proposing coding for new law in Minnesota Statutes, chapter 16B.

April 27, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H.F. No. 2710, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 2710 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [3.197] [REQUIRED REPORTS.]

A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

Sec. 2. [16B.467] [ELECTRONIC PERMITTING AND LICENSING.]

The commissioner of administration shall develop and implement a system under which people seeking state permits or licenses that can be issued immediately upon payment of a fee can obtain these permits and licenses through electronic access to the appropriate state agencies.

Sec. 3. [STUDY.]

The commissioner of administration shall study and report to the legislature by January 1, 1995, on the best way to increase conveniently accessible and affordable electronic services to citizens, including electronic licensing and permitting of a wide variety of state services. As part of this study, the commissioner shall consider the advisability of using the state lottery computer network as a vehicle for delivering these services.

Sec. 4. [INSTRUCTIONS TO REVISOR.]

It is the intent of the legislature to repeal or otherwise remove from Minnesota Statutes all standing requirements for unnecessary periodic reports from state agencies to the legislature. By October 1, 1994, the revisor of statutes shall submit to the chairs of the house and senate governmental operations committees a list of required periodic reports in Minnesota Statutes, including a statutory citation to each report."

Delete the title and insert:

"A bill for an act relating to state government; modifying requirements for reports to the legislature; requiring creation of a system for electronic applications for licenses; requiring a study; proposing coding for new law in Minnesota Statutes, chapters 3; and 16B."

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

House Conferees: (Signed) Phyllis Kahn, Richard "Rick" Krueger, Phil Krinkie

Senate Conferees: (Signed) Phil J. Riveness, James P. Metzen, Roy W. Terwilliger

Mr. Riveness moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2710 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 2710 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

CALL OF THE SENATE

Mr. Hottinger imposed a call of the Senate for the balance of the proceedings on S.F. No. 2475. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Hottinger then moved that S.F. No. 2475 be taken from the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 43 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Krentz	Morse	Runbeck
Beckman	Frederickson	Laidig	Murphy	Sams
Belanger	Hottinger	Langseth	Neuville	Solon
Benson, D.D.	Johnson, D.E.	Larson	Oliver	Stevens
Benson, J.E.	Johnson, D.J.	Lesewski	Pariseau	Stumpf
Berg	Johnson, J.B.	Lessard	Price	Vickernan
Bertram	Johnston	McGowan	Ranum	Wiener
Cohen	Kiscaden	Merriam	Reichgott Junge	
Day	Knutson	Metzen	Riveness	

Those who voted in the negative were:

Anderson	Finn	Luther	Novak	Spear
Berglin	Flynn	Marty	Pappas	
Betzold	Hanson	Moe, R.D.	Pogemiller	
Chandler	Janezich	Mondale	Samuelson	

The motion prevailed.

S.F. No. 2475: A bill for an act relating to workers' compensation; providing insurance regulation; modifying benefits and provisions relating to fraud; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; 79.59, subdivision 4; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 176.105, subdivision 4; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; and 176.82; Minnesota Statutes 1993 Supplement, section 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1992, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

Mr. Hottinger then moved to amend S.F. No. 2475 as follows:

Pages 1 to 18, delete article 1 and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 79.50, is amended to read:

79.50 [PURPOSES.]

The purposes of chapter 79 are to:

(a) Promote public welfare by regulating insurance rates so that premiums are not excessive, inadequate, or unfairly discriminatory;

(b) Promote quality and integrity in the data bases used in workers' compensation insurance ratemaking;

(c) Prohibit price fixing agreements and anticompetitive behavior by insurers;

(d) ~~Promote price competition and provide rates that are responsive to competitive market conditions;~~

(e) ~~Provide a means of establishment of proper rates if competition is not effective;~~

~~(f) Define the function and scope of activities of data service organizations; and~~

~~(g) Provide for an orderly transition from regulated rates to competitive market conditions; and~~

~~(h) (e) Encourage insurers to provide alternative innovative methods whereby employers can meet the requirements imposed by section 176.181.~~

Sec. 2. Minnesota Statutes 1992, section 79.51, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION; WHEN.] The commissioner shall adopt rules to implement provisions of this chapter. ~~The rules shall be finally adopted after May 1, 1982. By January 15, 1982, the commissioner shall provide the legislature a description and explanation of the intent and anticipated effect of the rules on the various factors of the rating system.~~

Sec. 3. Minnesota Statutes 1992, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) data reporting requirements, including types of data reported, such as loss and expense data;

(2) experience rating plans;

(3) retrospective rating plans;

(4) general expenses and related expense provisions;

(5) minimum premiums;

(6) classification systems and assignment of risks to classifications;

(7) loss development and trend factors;

(8) the workers' compensation reinsurance association;

(9) requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;

(10) imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;

(11) the rules contained in the workers' compensation rating manual adopted by ~~the workers' compensation insurers rating association licensed data service organizations; and~~

(12) *the supporting data and information required in filings under section 79.56, including but not limited to the experience of the filing insurer and the extent to which the filing insurer relies upon data service organization loss information, descriptions of the actuarial and statistical methods employed in setting rates, and the filing insurers interpretation of any statistical data relied upon; and*

(13) any other factors that the commissioner deems relevant to achieve the purposes of this chapter.

(b) The rules shall provide for the following:

(1) ~~competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship;~~

(2) adequate safeguards against excessive or discriminatory rates in workers' compensation;

(3) (2) encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) (3) assurances that employers are not unfairly relegated to the assigned risk pool;

(5) (4) requiring all appropriate data and other information from insurers for the purpose of issuing rules, making legislative recommendations pursuant to this section ~~and monitoring the effectiveness of competition;~~ and

(6) (5) preserving a framework for risk classification, data collection, and other appropriate joint insurer services ~~where these will not impede the introduction of competition in premium rates.~~

Sec. 4. Minnesota Statutes 1992, section 79.53, subdivision 1, is amended to read:

Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further ~~modified~~ *increased up to 25 percent or decreased without restriction* by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium *if the increase or decrease is not unfairly discriminatory*. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1992, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market, premiums~~ *Rates and rating plans* are excessive if the expected underwriting profit, together with expected income from invested reserves ~~for the market in question~~, that would accrue to an insurer *under the rates and rating plans* would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business. *The burden is on the insurer to establish that profit is not unreasonably high.*

Sec. 6. Minnesota Statutes 1992, section 79.55, subdivision 5, is amended to read:

Subd. 5. [DISCOUNTS PERMITTED.] An insurer may offer a discount ~~from scheduled credit or debit~~ to a manual premium calculated pursuant to section 79.53, subdivision 1, if the premium otherwise complies with this section. ~~The commissioner shall not by rule, or otherwise, prohibit a credit or discount from a manual premium solely because it is greater than a certain fixed percentage of the premium.~~

Sec. 7. Minnesota Statutes 1992, section 79.55, is amended by adding a subdivision to read:

Subd. 6. [RATING FACTORS.] In determining whether a rate filing complies with this section, separate consideration shall be given to: (i) past and prospective loss experience within this state and outside this state to the extent necessary to develop credible rates; (ii) dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers; and (iii) a reasonable allowance for expense and profit. An allowance for expense shall be presumed reasonable if it reflects expenses that are 22.5 percent greater or less than the average expense for all insurers writing workers' compensation insurance in this state. An allowance for after-tax profit shall consider anticipated investment income from premium receipts net of disbursements and from allocated surplus, based on the current five-year United States Treasury note yield and an assumed premium to surplus ratio of 2.25 to one. The allowance for after-tax profit shall be presumed reasonable if the corresponding return on equity target is equal to or less than the sum of: (i) the current yield on five-year United States Treasury securities; and (ii) an appropriate equity risk premium that reflects the risks of writing workers' compensation insurance. The risk premium shall not be less than the average, since 1926, of the differences in return between: (i) the annual return, including dividend income, for the Standards and Poors 500 common stock index or predecessor index for each year; and (ii) the five-year United States Treasury note yield as of the start of the corresponding year. Profit and expense allowances not presumed reasonable under this subdivision, are reasonable if the circumstances of an insurer, the market, or other factors justify them.

Sec. 8. Minnesota Statutes 1992, section 79.55, is amended by adding a subdivision to read:

Subd. 7. [EXTERNAL FACTORS.] That portion of a rate or rating plan related to assessments from the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, agent commission, premium tax and any other state-mandated surcharges shall not cause the rate or rating plan to be considered excessive, inadequate, or unfairly discriminatory.

Sec. 9. Minnesota Statutes 1992, section 79.56, subdivision 1, is amended to read:

Subdivision 1. [AFTER EFFECTIVE DATE PREFILING OF RATES.] Each insurer shall file with the commissioner a complete copy of its rates and rating plan, and all changes and amendments thereto, within 15 days after their and such supporting data and information that the commissioner may by rule require, at least 60 days prior to its effective dates date. An insurer need not file a rating plan if it uses a rating plan filed by a data service organization. If an insurer uses a rating plan of a data service organization but deviates from

it, then all deviations must be filed by the insurer. The commissioner shall advise an insurer within 30 days of the filing if its submission is not accompanied with such supporting data and information that the commissioner by rule may require. The commissioner may extend the filing review period and effective date for an additional 30 days if an insurer, after having been advised of what supporting data and information is necessary to complete its filing, does not provide such information within 15 days of having been so notified. If any rate or rating plan filing or amendment thereto is not disapproved by the commissioner within the filing review period, the insurer may implement it. For the period January 1, 1994, to December 31, 1994, the filing shall be made at least 90 days prior to the effective date and the department shall advise an insurer within 60 days of such filing if the filing is insufficient under this section.

Sec. 10. Minnesota Statutes 1992, section 79.56, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] Any insurer using a rate or a rating plan which has not been filed shall be subject to a fine of up to \$100 for each day the failure to file continues. The commissioner may, after a hearing on the record, find that the failure is willful. A willful failure to meet filing requirements shall be punishable by a fine of up to \$500 for each day during which a willful failure continues. These penalties shall be in addition to any other penalties provided by law. Notwithstanding this subdivision, an employer that generates \$500,000 in annual written workers' compensation premium under the rates and rating plan of an insurer before the application of any large deductible rating plans, may be written by that insurer using rates or rating plans that are not subject to disapproval but which have been filed. The \$500,000 threshold shall be increased on January 1, 1995, and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$1,000. The commissioner shall advise insurers licensed to write workers' compensation insurance in this state of the annual threshold adjustment.

Sec. 11. [79.561] [DISAPPROVAL OF RATES OR RATING PLANS.]

Subdivision 1. [DISAPPROVAL; TIME PERIOD.] The commissioner may disapprove a rate and rating plan or amendment thereto prior to its effective date, as provided under section 79.56, subdivision 1, if the commissioner determines that it is excessive, inadequate, or unfairly discriminatory. If the commissioner disapproves any rate or rating plan filing or amendment thereto, the commissioner shall advise the filing insurer what rate and rating plan the commissioner has reason to believe would be in compliance with section 79.55, and the reasons for that determination. An insurer may not implement a rate and rating plan or amendment thereto which has been disapproved under this subdivision. If the commissioner disapproves any rate and rating plan filing or amendment thereto, an insurer may use its current rate and rating plan for writing any workers' compensation insurance in this state. Following any disapproval, the commissioner and insurer may reach agreement on a rate or rating plan filing or amendment thereto. Notwithstanding any law to the contrary, in such cases, the rate or rating plan filing or amendment thereto may be implemented by the insurer immediately.

Subd. 2. [HEARING.] If an insurer's rate or rating plan filing or amendment thereto is disapproved under subdivision 1, the insurer may request a contested case hearing under chapter 14. The insurer shall have the

burden of proof to justify that its rate and rating plan or amendment thereto is in compliance with section 79.55. The hearing must be scheduled promptly and in no case later than three months from the date of disapproval or else the rate and rating plan or amendment thereto shall be considered effective and may be implemented by the insurer. A determination pursuant to chapter 14 must be made within 90 days following the closing of the hearing record.

Subd. 3. [CONSULTANTS AND COSTS.] The commissioner may retain consultants, including a consulting actuary or other experts, that the commissioner determines necessary for purposes of this chapter. The salary limit set by section 43A.17 does not apply to a consulting actuary retained under this subdivision. A consulting actuary shall be a fellow in the casualty actuarial society and shall have demonstrated experience in workers' compensation insurance ratemaking. Any individual not so qualified shall not render an opinion or testify on actuarial aspects of a filing, including but not limited to, data quality, loss development, and trending. The costs incurred in retaining any consulting actuaries and experts shall be reimbursed by the special compensation fund.

Sec. 12. [APPROPRIATION.]

\$900,000 is appropriated from the special compensation fund for the biennium ending June 30, 1995, to the department of commerce for the purposes of this article. The complement of the department of commerce is increased by 13 positions for the purposes of this article.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; and 79.58, are repealed.

Sec. 14. [EFFECTIVE DATE: TRANSITION.]

This article is effective on January 1, 1995. Rates and rating plans in use as of January 1, 1995, may continue to be used until such time as an amendment thereto or a new rate or rating plan is filed, at which time such submission shall be subject to this article."

Page 37, after line 10, insert:

"ARTICLE 5

SELF-INSURANCE

Section 1. Minnesota Statutes 1992, section 79A.01, subdivision 4, is amended to read:

Subd. 4. [INSOLVENT SELF-INSURER.] "Insolvent self-insurer" means either: (1) a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176; or; (2) a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176; or (3) a member or former member private self-insurer who has failed to pay an assessment required by section 79A.12, subdivision 2, and who has been issued a certificate of default by the

commissioner and whose security deposit has been called by the commissioner.

Sec. 2. Minnesota Statutes 1992, section 79A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] For the purposes of assisting the commissioner, there is established a workers' compensation self-insurers' advisory committee of five members that are employers authorized to self-insure in Minnesota. Three of the members shall be elected by the members of the self-insurers' security fund *board of trustees* and two shall be appointed by the commissioner. *In addition, one alternate member shall be elected by the members of the self-insurers' security fund board of trustees and one alternate member shall be appointed by the commissioner.*

Sec. 3. Minnesota Statutes 1992, section 79A.02, subdivision 2, is amended to read:

Subd. 2. [ADVICE TO COMMISSIONER.] At the request of the commissioner, the committee shall meet and shall advise the commissioner with respect to whether or not an applicant to become a private self-insurer in the state of Minnesota has met the statutory requirements to self-insure. *The department of commerce may furnish the committee with any financial data which it has, but a member of the advisory committee who may have a conflict of interest in reviewing the financial data shall not have access to the data nor participate in the discussions concerning the applicant. All members of the advisory committee shall treat financial data received from the commissioner as nonpublic data. The committee shall advise the commissioner if it has any information that any private self-insurer may become insolvent. Disclosure of this data other than for the purposes of this subdivision is a misdemeanor.*

Sec. 4. Minnesota Statutes 1993 Supplement, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs, and unpaid assessments required by section 79A.12, subdivision 2, relating to or arising from the employer's self-insuring. As used in this section, "private self-insurer" includes both current and former members of the self-insurers' security fund; and "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by an Associate or Fellow of the Casualty Actuarial Society every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by an Associate or Fellow of the Casualty Actuarial Society at least every two years, and each such actuarial study shall include a projection of future losses during the ~~two-year~~ period until the next scheduled actuarial study, less payments anticipated to be made during that time.

All data and information furnished by a private self-insurer to an Associate or Fellow of the Casualty Actuarial Society for purposes of determining private self-insurers' estimated future liability must be certified by an officer of the private self-insurer to be true and correct with respect to payroll and paid losses, and must be certified, upon information and belief, to be true and correct with respect to reserves. The certification must be made by sworn

affidavit. In addition to any other remedies provided by law, the certification of false data or information pursuant to this subdivision may result in a fine imposed by the commissioner of commerce on the private self-insurer up to the amount of \$5,000, and termination of the private self-insurers' authority to self-insure. The determination of private self-insurers' estimated future liability by an Associate or Fellow of the Casualty Actuarial Society shall be conducted in accordance with standards and principles for establishing loss and loss adjustment expense reserves by the Actuarial Standards Board, an affiliate of the American Academy of Actuaries. The commissioner may reject an actuarial report that does not meet the standards and principles of the Actuarial Standards Board, and may further disqualify the actuary who prepared the report from submitting any future actuarial reports pursuant to this chapter. Within 30 days after the actuary has been served by the commissioner with a notice of disqualification, an actuary who is aggrieved by the disqualification may request a hearing to be conducted in accordance with chapter 14. Based on a review of the actuarial report, the commissioner of commerce may require an increase in the minimum security deposit in an amount the commissioner considers sufficient.

Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

As a condition for the granting or renewal of a certificate to self-insure, the commissioner may require a private self-insurer to furnish any additional security the commissioner considers sufficient to insure payment of all claims under chapter 176.

Sec. 5. Minnesota Statutes 1992, section 79A.04, subdivision 9, is amended to read:

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, or failure to

pay an assessment to the self-insurers' security fund when due, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation or assessment obligations.

Sec. 6. Minnesota Statutes 1992, section 79A.15, is amended to read:

79A.15 [SURETY BOND FORM.]

The form for the surety bond under this chapter shall be:

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SURETY BOND OF SELF-INSURER OF WORKERS' COMPENSATION

IN THE MATTER OF THE CERTIFICATE OF)

) SURETY BOND

) NO.

) PREMIUM:

Employer, Certificate No:)

KNOW ALL PERSONS BY THESE PRESENTS:

That
(Employer)

whose address is

as Principal, and
(Surety)

a corporation organized under the laws of and authorized to transact a general surety business in the State of Minnesota, as Surety, are held and firmly bound to the State of Minnesota in the penal sum ofdollars (\$.....) for which payment we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS in accordance with Minnesota Statutes, chapter 176, the principal elected to self-insure, and made application for, or received from the commissioner of commerce of the state of Minnesota, a certificate to self-insure, upon furnishing of proof satisfactory to the commissioner of commerce of ability to self-insure and to compensate any or all employees of said principal for injury or disability, and their dependents for death incurred or sustained by said employees pursuant to the terms, provisions, and limitations of said statute;

NOW THEREFORE, the conditions of this bond or obligation are such that if principal shall pay and furnish compensation, pursuant to the terms, provisions, and limitations of said statute to its employees for injury or disability, and to the dependents of its employees, then this bond or obligation shall be null and void; otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. This bond may be amended, by agreement between the parties hereto and the commissioner of commerce as to the identity of the principal herein named; and, by agreement of the parties hereto, as to the premium or rate of

premium. Such amendment must be by endorsement upon, or rider to, this bond, executed by the surety and delivered to or filed with the commissioner.

2. The surety does, by these presents, undertake and agree that the obligation of this bond shall cover and extend to all past, present, existing, and potential liability of said principal, as a self-insurer, to the extent of the penal sum herein named without regard to specific injuries, date or dates of injuries, happenings or events.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and the commissioner of commerce, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, existing, and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

5. This bond shall be continuous in form and shall remain in full force and effect unless terminated as follows:

(a) The obligation of this bond shall terminate upon written notice of cancellation from the surety, given by registered or certified mail to the commissioner of commerce, state of Minnesota, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. This termination is effective 60 days after receipt of notice of cancellation by the commissioner of commerce, state of Minnesota.

(b) This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. The principal and the surety, herein named, shall be immediately notified in writing by said commissioner, in the event of such revocation.

6. Where the principal posts with the commissioner of commerce, state of Minnesota, or the state treasurer, state of Minnesota, a replacement security deposit, in the form of a surety bond, irrevocable letter of credit, cash, securities, or any combination thereof, in the full amount as may be required by the commissioner of commerce, state of Minnesota, to secure all incurred liabilities for the payment of compensation of said principal under Minnesota Statutes, chapter 176, the surety is released from obligations under the surety bond upon the date of acceptance by the commissioner of commerce, state of Minnesota, of said replacement security deposit.

7. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, or the commissioner of commerce, state of Minnesota, issues a certificate of default, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended. The surety shall begin payments within 14 days under paragraph

8, or 30 days under paragraph 10, after receipt of written notification by certified mail from the commissioner of commerce, state of Minnesota, to begin payments under the terms of this bond.

8. If the surety exercises its option to administer claims, it shall pay benefits due to the principal's injured workers within 14 days of the receipt of the notification by the commissioner of commerce, state of Minnesota, pursuant to paragraph 7, without a formal award of a compensation judge, the commissioner of labor and industry, any intermediate appellate court, or the Minnesota supreme court and such payment will be a charge against the penal sum of the bond. Administrative and legal costs *and payment of assessments* incurred by the surety in discharging its obligations and payment of the principal's obligations for administration and legal expenses *and payment of assessments* under Minnesota Statutes, chapter 176, and sections 79A.01 to 79A.17 and Laws 1988, chapter 674, section 23, shall also be a charge against the penal sum of the bond; however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses *and payment of assessments* shall be limited to a maximum ten percent of the total penal sum of the bond unless otherwise authorized by the security fund.

9. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

10. If the surety does not give notice to the security fund and the commissioner of commerce, state of Minnesota, within two business days of receipt of written notification from the commissioner of commerce, state of Minnesota, pursuant to paragraph 7, to exercise its option to administer claims pursuant to paragraph 8, then the self-insurer's security fund will assume the payments of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176. The surety shall pay, within 30 days of the receipt of the notification by the commissioner of commerce, state of Minnesota, pursuant to paragraph 7, to the self-insurer's security fund as an initial deposit an amount equal to ten percent of the penal sum of the bond, and shall thereafter, upon notification from the security fund that the balance of the initial deposit had fallen to one percent of the penal sum of the bond, remit to the security fund an amount equal to the payments made by the security fund in the three calendar months immediately preceding said notification. All such payments will be a charge against the penal sum of the bond.

11. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the self-insurer's security fund shall be resolved by the commissioner of commerce pursuant to Minnesota Statutes, chapter 176 and sections 79A.01 to 79A.17 and Laws 1988, chapter 674, section 23.

12. Written notification to the surety required by this bond shall be sent to:

.....
Name of Surety

.....
To the attention of Person or
Position

.....
Address

.....
City, State, Zip

Written notification to the principal required by this bond shall be sent to:

.....
Name of Principal

.....
To the attention of Person or
Position

.....
Address

.....
City, State, Zip

13. This bond is executed by the surety to comply with Minnesota Statutes, chapter 176, and said bond shall be subject to all terms and provisions thereof.

.....
Name of Surety

.....
Address

.....
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the state of Minnesota that the foregoing is true and correct.

.....
Date

.....
Signature of Attorney-In-Fact

.....
Printed or Typed Name of
Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the commissioner of commerce or must be included with this bond for such filing.

Sec. 7. [MUTUAL SELF-INSURANCE POOL STUDY.]

The department of commerce shall study the creation of mutual self-insurance pools, separate from the application of Minnesota Statutes, chapter 79A, the self-insurers' security fund. The purpose of mutual self-insurance pools shall be to cover their members against liability arising under Minnesota Statutes, chapter 176. The study must include, but not be limited to, the following elements:

- (1) a mutual self-insurance pool advisory committee to advise the commissioner of commerce;
- (2) a mutual self-insurance guaranty fund and board of trustees, and other excess insurance, reinsurance, or other similar requirements;
- (3) a minimum premium volume necessary for creation of a pool;
- (4) the financial and actuarial requirements of a pool;
- (5) the requirements of the bylaws and plan of operation of a pool and the mutual self-insurance pool guaranty fund;
- (6) the assessment powers of the pool and of the pool guaranty fund;
- (7) the requirement that a pool be a workers' compensation reinsurance association member and specify the workers' compensation reinsurance association's retention level of a pool;
- (8) the powers of the commissioner of commerce with respect to regulation and oversight of the pools and their guaranty fund;
- (9) the amount of security deposits requirement and types of security allowable;
- (10) the requirement of joint and several liability among the members, and the mechanics of establishing joint and several liability;
- (11) the requirement of a perfected security interest in the security deposit;
- (12) the amount of application fees and renewal fees for a pool;
- (13) the requirement that all pools have a third party administrator and a fiscal agent; and
- (14) the type and extent of educational programs required for employers before becoming pool members and for employers who are pool members, and for other professionals involved in the creation and maintenance of pools.

The department of commerce shall seek input from interested parties. The intent of the legislature in requiring this study is to allow the creation of mutual self-insurance pools, including small- and medium-sized employers as members, in a financially and actuarially sound basis so as to: (1) continue the appropriate payment of workers' compensation benefits to all injured employees of pool members; (2) do so in accordance with reasonable standards of financial and actuarial soundness which will ensure successful operation of mutual self-insurance pools for the benefit of their members; and (3) make available the benefits of group self-insurance to small- and medium-sized employers. The department shall by February 15, 1995, submit specific recommendations concerning mutual self-insurance pools to the committees of the house of representatives and senate having jurisdiction over workers' compensation self-insurance legislation."

Amend the title accordingly

Mr. Moe, R.D. requested division of the amendment as follows:

First portion:

Page 37, after line 10, insert:

"ARTICLE 5

SELF-INSURANCE

Section 1. Minnesota Statutes 1992, section 79A.01, subdivision 4, is amended to read:

Subd. 4. [INSOLVENT SELF-INSURER.] "Insolvent self-insurer" means ~~either~~: (1) a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176; ~~or~~; (2) a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176; *or (3) a member or former member private self-insurer who has failed to pay an assessment required by section 79A.12, subdivision 2, and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner.*

Sec. 2. Minnesota Statutes 1992, section 79A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] For the purposes of assisting the commissioner, there is established a workers' compensation self-insurers' advisory committee of five members that are employers authorized to self-insure in Minnesota. Three of the members shall be elected by the members of the self-insurers' security fund *board of trustees* and two shall be appointed by the commissioner. *In addition, one alternate member shall be elected by the members of the self-insurers' security fund board of trustees and one alternate member shall be appointed by the commissioner.*

Sec. 3. Minnesota Statutes 1992, section 79A.02, subdivision 2, is amended to read:

Subd. 2. [ADVICE TO COMMISSIONER.] At the request of the commissioner, the committee shall meet and shall advise the commissioner with respect to whether or not an applicant to become a private self-insurer in the state of Minnesota has met the statutory requirements to self-insure. *The department of commerce may furnish the committee with any financial data which it has, but a member of the advisory committee who may have a conflict of interest in reviewing the financial data shall not have access to the data nor participate in the discussions concerning the applicant. All members of the advisory committee shall treat financial data received from the commissioner as nonpublic data. The committee shall advise the commissioner if it has any information that any private self-insurer may become insolvent. Disclosure of this data other than for the purposes of this subdivision is a misdemeanor.*

Sec. 4. Minnesota Statutes 1993 Supplement, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs, *and unpaid assessments required by section 79A.12, subdivision 2*, relating to or arising from the employer's self-insuring. As used in this section, "private self-insurer" includes both current and former members of the self-insurers' security fund; and "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by an Associate or Fellow of the Casualty Actuarial Society every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by an Associate or Fellow of the Casualty Actuarial Society *at least* every two years, and each such actuarial study shall include a projection of future losses during the ~~two year~~ period until the next scheduled actuarial study, less payments anticipated to be made during that time.

All data and information furnished by a private self-insurer to an Associate or Fellow of the Casualty Actuarial Society for purposes of determining private self-insurers' estimated future liability must be certified by an officer of the private self-insurer to be true and correct with respect to payroll and paid losses, and must be certified, upon information and belief, to be true and correct with respect to reserves. The certification must be made by sworn affidavit. In addition to any other remedies provided by law, the certification of false data or information pursuant to this subdivision may result in a fine imposed by the commissioner of commerce on the private self-insurer up to the amount of \$5,000, and termination of the private self-insurers' authority to self-insure. The determination of private self-insurers' estimated future liability by an Associate or Fellow of the Casualty Actuarial Society shall be conducted in accordance with standards and principles for establishing loss and loss adjustment expense reserves by the Actuarial Standards Board, an affiliate of the American Academy of Actuaries. The commissioner may reject an actuarial report that does not meet the standards and principles of the Actuarial Standards Board, and may further disqualify the actuary who prepared the report from submitting any future actuarial reports pursuant to this chapter. Within 30 days after the actuary has been served by the commissioner with a notice of disqualification, an actuary who is aggrieved by the disqualification may request a hearing to be conducted in accordance with chapter 14. Based on a review of the actuarial report, the commissioner of commerce may require an increase in the minimum security deposit in an amount the commissioner considers sufficient.

Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the

workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

As a condition for the granting or renewal of a certificate to self-insure, the commissioner may require a private self-insurer to furnish any additional security the commissioner considers sufficient to insure payment of all claims under chapter 176.

Sec. 5. Minnesota Statutes 1992, section 79A.04, subdivision 9, is amended to read:

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, *or failure to pay an assessment to the self-insurers' security fund when due*, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation *or assessment* obligations.

Sec. 6. Minnesota Statutes 1992, section 79A.15, is amended to read:

79A.15 [SURETY BOND FORM.]

The form for the surety bond under this chapter shall be:

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SURETY BOND OF SELF-INSURER OF WORKERS' COMPENSATION
IN THE MATTER OF THE CERTIFICATE OF)

) SURETY BOND
) NO.
) PREMIUM:
)
Employer, Certificate No:)

KNOW ALL PERSONS BY THESE PRESENTS:

That
(Employer)

whose address is
as Principal, and
(Surety)

a corporation organized under the laws of and authorized to transact a general surety business in the State of Minnesota, as Surety, are held

and firmly bound to the State of Minnesota in the penal sum ofdollars (\$.....) for which payment we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS in accordance with Minnesota Statutes, chapter 176, the principal elected to self-insure, and made application for, or received from the commissioner of commerce of the state of Minnesota, a certificate to self-insure, upon furnishing of proof satisfactory to the commissioner of commerce of ability to self-insure and to compensate any or all employees of said principal for injury or disability, and their dependents for death incurred or sustained by said employees pursuant to the terms, provisions, and limitations of said statute;

NOW THEREFORE, the conditions of this bond or obligation are such that if principal shall pay and furnish compensation, pursuant to the terms, provisions, and limitations of said statute to its employees for injury or disability, and to the dependents of its employees, then this bond or obligation shall be null and void; otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. This bond may be amended, by agreement between the parties hereto and the commissioner of commerce as to the identity of the principal herein named; and, by agreement of the parties hereto, as to the premium or rate of premium. Such amendment must be by endorsement upon, or rider to, this bond, executed by the surety and delivered to or filed with the commissioner.

2. The surety does, by these presents, undertake and agree that the obligation of this bond shall cover and extend to all past, present, existing, and potential liability of said principal, as a self-insurer, to the extent of the penal sum herein named without regard to specific injuries, date or dates of injuries, happenings or events.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and the commissioner of commerce, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, existing, and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

5. This bond shall be continuous in form and shall remain in full force and effect unless terminated as follows:

(a) The obligation of this bond shall terminate upon written notice of cancellation from the surety, given by registered or certified mail to the commissioner of commerce, state of Minnesota, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. This termination is effective 60 days after receipt of notice of cancellation by the commissioner of commerce, state of Minnesota.

(b) This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal incurred, including obligations resulting from claims which are incurred but not yet reported, as a self-insurer prior to effective date of termination. The principal and the surety, herein named, shall be immediately notified in writing by said commissioner, in the event of such revocation.

6. Where the principal posts with the commissioner of commerce, state of Minnesota, or the state treasurer, state of Minnesota, a replacement security deposit, in the form of a surety bond, irrevocable letter of credit, cash, securities, or any combination thereof, in the full amount as may be required by the commissioner of commerce, state of Minnesota, to secure all incurred liabilities for the payment of compensation of said principal under Minnesota Statutes, chapter 176, the surety is released from obligations under the surety bond upon the date of acceptance by the commissioner of commerce, state of Minnesota, of said replacement security deposit.

7. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, or the commissioner of commerce, state of Minnesota, issues a certificate of default, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended. The surety shall begin payments within 14 days under paragraph 8, or 30 days under paragraph 10, after receipt of written notification by certified mail from the commissioner of commerce, state of Minnesota, to begin payments under the terms of this bond.

8. If the surety exercises its option to administer claims, it shall pay benefits due to the principal's injured workers within 14 days of the receipt of the notification by the commissioner of commerce, state of Minnesota, pursuant to paragraph 7, without a formal award of a compensation judge, the commissioner of labor and industry, any intermediate appellate court, or the Minnesota supreme court and such payment will be a charge against the penal sum of the bond. Administrative and legal costs *and payment of assessments* incurred by the surety in discharging its obligations and payment of the principal's obligations for administration and legal expenses *and payment of assessments* under Minnesota Statutes, chapter 176, and sections 79A.01 to 79A.17 and Laws 1988, chapter 674, section 23, shall also be a charge against the penal sum of the bond; however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses *and payment of assessments* shall be limited to a maximum ten percent of the total penal sum of the bond unless otherwise authorized by the security fund.

9. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

10. If the surety does not give notice to the security fund and the commissioner of commerce, state of Minnesota, within two business days of receipt of written notification from the commissioner of commerce, state of Minnesota, pursuant to paragraph 7, to exercise its option to administer claims pursuant to paragraph 8, then the self-insurer's security fund will assume the payments of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176. The surety shall pay, within 30 days of the receipt of the notification by the commissioner of commerce, state of

Minnesota, pursuant to paragraph 7, to the self-insurer's security fund as an initial deposit an amount equal to ten percent of the penal sum of the bond, and shall thereafter, upon notification from the security fund that the balance of the initial deposit had fallen to one percent of the penal sum of the bond, remit to the security fund an amount equal to the payments made by the security fund in the three calendar months immediately preceding said notification. All such payments will be a charge against the penal sum of the bond.

11. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the self-insurers' security fund shall be resolved by the commissioner of commerce pursuant to Minnesota Statutes, chapter 176 and sections 79A.01 to 79A.17 and Laws 1988, chapter 674, section 23.

12. Written notification to the surety required by this bond shall be sent to:

.....
Name of Surety

.....
To the attention of Person or
Position

.....
Address

.....
City, State, Zip

Written notification to the principal required by this bond shall be sent to:

.....
Name of Principal

.....
To the attention of Person or
Position

.....
Address

.....
City, State, Zip

13. This bond is executed by the surety to comply with Minnesota Statutes, chapter 176, and said bond shall be subject to all terms and provisions thereof.

.....
Name of Surety

.....
Address

.....
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the state of Minnesota that the foregoing is true and correct.

.....
Date

.....
Signature of Attorney-In-Fact

.....
Printed or Typed Name of
Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the commissioner of commerce or must be included with this bond for such filing.

Sec. 7. [MUTUAL SELF-INSURANCE POOL STUDY.]

The department of commerce shall study the creation of mutual self-insurance pools, separate from the application of Minnesota Statutes, chapter 79A, the self-insurers' security fund. The purpose of mutual self-insurance pools shall be to cover their members against liability arising under Minnesota Statutes, chapter 176. The study must include, but not be limited to, the following elements:

(1) a mutual self-insurance pool advisory committee to advise the commissioner of commerce;

(2) a mutual self-insurance guaranty fund and board of trustees, and other excess insurance, reinsurance, or other similar requirements;

(3) a minimum premium volume necessary for creation of a pool;

(4) the financial and actuarial requirements of a pool;

(5) the requirements of the bylaws and plan of operation of a pool and the mutual self-insurance pool guaranty fund;

(6) the assessment powers of the pool and of the pool guaranty fund;

(7) the requirement that a pool be a workers' compensation reinsurance association member and specify the workers' compensation reinsurance association's retention level of a pool;

(8) the powers of the commissioner of commerce with respect to regulation and oversight of the pools and their guaranty fund;

(9) the amount of security deposits requirement and types of security allowable;

(10) the requirement of joint and several liability among the members, and the mechanics of establishing joint and several liability;

(11) the requirement of a perfected security interest in the security deposit;

(12) the amount of application fees and renewal fees for a pool;

(13) the requirement that all pools have a third party administrator and a fiscal agent; and

(14) the type and extent of educational programs required for employers before becoming pool members and for employers who are pool members, and for other professionals involved in the creation and maintenance of pools.

The department of commerce shall seek input from interested parties. The intent of the legislature in requiring this study is to allow the creation of mutual self-insurance pools, including small- and medium-sized employers as members, in a financially and actuarially sound basis so as to: (1) continue the appropriate payment of workers' compensation benefits to all injured employees of pool members; (2) do so in accordance with reasonable standards of financial and actuarial soundness which will ensure successful operation of mutual self-insurance pools for the benefit of their members; and (3) make available the benefits of group self-insurance to small- and medium-sized employers. The department shall by February 15, 1995, submit specific recommendations concerning mutual self-insurance pools to the committees of the house of representatives and senate having jurisdiction over workers' compensation self-insurance legislation."

Amend the title accordingly

Second portion:

Pages 1 to 18, delete article 1 and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 79.50, is amended to read:

79.50 [PURPOSES.]

The purposes of chapter 79 are to:

(a) Promote public welfare by regulating insurance rates so that premiums are not excessive, inadequate, or unfairly discriminatory;

(b) Promote quality and integrity in the data bases used in workers' compensation insurance ratemaking;

(c) Prohibit price fixing agreements and anticompetitive behavior by insurers;

(d) Promote price competition and provide rates that are responsive to competitive market conditions;

(e) Provide a means of establishment of proper rates if competition is not effective;

(f) Define the function and scope of activities of data service organizations; and

(g) Provide for an orderly transition from regulated rates to competitive market conditions; and

(h) (e) Encourage insurers to provide alternative innovative methods whereby employers can meet the requirements imposed by section 176.181.

Sec. 2. Minnesota Statutes 1992, section 79.51, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION; WHEN.] The commissioner shall adopt rules to implement provisions of this chapter. ~~The rules shall be finally adopted after May 1, 1982. By January 15, 1982, the commissioner shall provide the legislature a description and explanation of the intent and anticipated effect of the rules on the various factors of the rating system.~~

Sec. 3. Minnesota Statutes 1992, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) data reporting requirements, including types of data reported, such as loss and expense data;

(2) experience rating plans;

(3) retrospective rating plans;

(4) general expenses and related expense provisions;

(5) minimum premiums;

(6) classification systems and assignment of risks to classifications;

(7) loss development and trend factors;

(8) the workers' compensation reinsurance association;

(9) requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;

(10) imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;

(11) the rules contained in the workers' compensation rating manual adopted by ~~the workers' compensation insurers rating association licensed data service organizations; and~~

(12) the supporting data and information required in filings under section 79.56, including but not limited to the experience of the filing insurer and the extent to which the filing insurer relies upon data service organization loss information, descriptions of the actuarial and statistical methods employed in setting rates, and the filing insurers interpretation of any statistical data relied upon; and

(13) any other factors that the commissioner deems relevant to achieve the purposes of this chapter.

(b) The rules shall provide for the following:

(1) ~~competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship;~~

(2) adequate safeguards against excessive or discriminatory rates in workers' compensation;

~~(3)~~ (2) encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) (3) assurances that employers are not unfairly relegated to the assigned risk pool;

(5) (4) requiring all appropriate data and other information from insurers for the purpose of issuing rules, making legislative recommendations pursuant to this section and monitoring the effectiveness of competition; and

(6) (5) preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

Sec. 4. Minnesota Statutes 1992, section 79.53, subdivision 1, is amended to read:

Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further ~~modified~~ increased up to 25 percent or decreased without restriction by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium if the increase or decrease is not unfairly discriminatory. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Sec. 5. Minnesota Statutes 1992, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market, premiums~~ Rates and rating plans are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer under the rates and rating plans would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business. ~~The burden is on the insurer to establish that profit is not unreasonably high.~~

Sec. 6. Minnesota Statutes 1992, section 79.55, subdivision 5, is amended to read:

Subd. 5. [DISCOUNTS PERMITTED.] An insurer may offer a discount from scheduled credit or debit to a manual premium calculated pursuant to section 79.53, subdivision 1, if the premium otherwise complies with this section. ~~The commissioner shall not by rule, or otherwise, prohibit a credit or discount from a manual premium solely because it is greater than a certain fixed percentage of the premium.~~

Sec. 7. Minnesota Statutes 1992, section 79.55, is amended by adding a subdivision to read:

Subd. 6. [RATING FACTORS.] In determining whether a rate filing complies with this section, separate consideration shall be given to: (i) past and prospective loss experience within this state and outside this state to the extent necessary to develop credible rates; (ii) dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers; and (iii) a reasonable allowance for expense and profit. An allowance for expense shall be presumed reasonable if it reflects expenses that are 22.5 percent greater or less than the average expense for all insurers writing workers' compensation insurance in this state.

An allowance for after-tax profit shall consider anticipated investment income from premium receipts net of disbursements and from allocated surplus, based on the current five-year United States Treasury note yield and an assumed premium to surplus ratio of 2.25 to one. The allowance for after-tax profit shall be presumed reasonable if the corresponding return on equity target is equal to or less than the sum of: (i) the current yield on five-year United States Treasury securities; and (ii) an appropriate equity risk premium that reflects the risks of writing workers' compensation insurance. The risk premium shall not be less than the average, since 1926, of the differences in return between: (i) the annual return, including dividend income, for the Standards and Poors 500 common stock index or predecessor index for each year; and (ii) the five-year United States Treasury note yield as of the start of the corresponding year. Profit and expense allowances not presumed reasonable under this subdivision, are reasonable if the circumstances of an insurer, the market, or other factors justify them.

Sec. 8. Minnesota Statutes 1992, section 79.55, is amended by adding a subdivision to read:

Subd. 7. [EXTERNAL FACTORS.] That portion of a rate or rating plan related to assessments from the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, agent commission, premium tax and any other state-mandated surcharges shall not cause the rate or rating plan to be considered excessive, inadequate, or unfairly discriminatory.

Sec. 9. Minnesota Statutes 1992, section 79.56, subdivision 1, is amended to read:

Subdivision 1. ~~[AFTER EFFECTIVE DATE PREFILING OF RATES.]~~ Each insurer shall file with the commissioner a complete copy of its rates and rating plan, and all changes and amendments thereto, ~~within 15 days after their~~ and such supporting data and information that the commissioner may by rule require, at least 60 days prior to its effective dates date. ~~An insurer need not file a rating plan if it uses a rating plan filed by a data service organization. If an insurer uses a rating plan of a data service organization but deviates from it, then all deviations must be filed by the insurer. The commissioner shall advise an insurer within 30 days of the filing if its submission is not accompanied with such supporting data and information that the commissioner by rule may require. The commissioner may extend the filing review period and effective date for an additional 30 days if an insurer, after having been advised of what supporting data and information is necessary to complete its filing, does not provide such information within 15 days of having been so notified. If any rate or rating plan filing or amendment thereto is not disapproved by the commissioner within the filing review period, the insurer may implement it. For the period January 1, 1994, to December 31, 1994, the filing shall be made at least 90 days prior to the effective date and the department shall advise an insurer within 60 days of such filing if the filing is insufficient under this section.~~

Sec. 10. Minnesota Statutes 1992, section 79.56, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] Any insurer using a rate or a rating plan which has not been filed shall be subject to a fine of up to \$100 for each day the failure to file continues. The commissioner may, after a hearing on the record, find that the failure is willful. A willful failure to meet filing requirements shall be punishable by a fine of up to \$500 for each day during which a willful failure

continues. These penalties shall be in addition to any other penalties provided by law. *Notwithstanding this subdivision, an employer that generates \$500,000 in annual written workers' compensation premium under the rates and rating plan of an insurer before the application of any large deductible rating plans, may be written by that insurer using rates or rating plans that are not subject to disapproval but which have been filed. The \$500,000 threshold shall be increased on January 1, 1995, and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$1,000. The commissioner shall advise insurers licensed to write workers' compensation insurance in this state of the annual threshold adjustment.*

Sec. 11. [79.561] [DISAPPROVAL OF RATES OR RATING PLANS.]

Subdivision 1. [DISAPPROVAL; TIME PERIOD.] The commissioner may disapprove a rate and rating plan or amendment thereto prior to its effective date, as provided under section 79.56, subdivision 1, if the commissioner determines that it is excessive, inadequate, or unfairly discriminatory. If the commissioner disapproves any rate or rating plan filing or amendment thereto, the commissioner shall advise the filing insurer what rate and rating plan the commissioner has reason to believe would be in compliance with section 79.55, and the reasons for that determination: An insurer may not implement a rate and rating plan or amendment thereto which has been disapproved under this subdivision. If the commissioner disapproves any rate and rating plan filing or amendment thereto, an insurer may use its current rate and rating plan for writing any workers' compensation insurance in this state. Following any disapproval, the commissioner and insurer may reach agreement on a rate or rating plan filing or amendment thereto. Notwithstanding any law to the contrary, in such cases, the rate or rating plan filing or amendment thereto may be implemented by the insurer immediately.

Subd. 2. [HEARING.] If an insurer's rate or rating plan filing or amendment thereto is disapproved under subdivision 1, the insurer may request a contested case hearing under chapter 14. The insurer shall have the burden of proof to justify that its rate and rating plan or amendment thereto is in compliance with section 79.55. The hearing must be scheduled promptly and in no case later than three months from the date of disapproval or else the rate and rating plan or amendment thereto shall be considered effective and may be implemented by the insurer. A determination pursuant to chapter 14 must be made within 90 days following the closing of the hearing record.

Subd. 3. [CONSULTANTS AND COSTS.] The commissioner may retain consultants including a consulting actuary or other experts, that the commissioner determines necessary for purposes of this chapter. The salary limit set by section 43A.17 does not apply to a consulting actuary retained under this subdivision. A consulting actuary shall be a fellow in the casualty actuarial society and shall have demonstrated experience in workers' compensation insurance ratemaking. Any individual not so qualified shall not render an opinion or testify on actuarial aspects of a filing, including but not limited to, data quality, loss development, and trending. The costs incurred in retaining any consulting actuaries and experts shall be reimbursed by the special compensation fund.

Sec. 12. [APPROPRIATION.]

\$900,000 is appropriated from the special compensation fund for the biennium ending June 30, 1995, to the department of commerce for the

purposes of this article. The complement of the department of commerce is increased by 13 positions for the purposes of this article.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; and 79.58, are repealed.

Sec. 14. [EFFECTIVE DATE: TRANSITION.]

This article is effective on January 1, 1995. Rates and rating plans in use as of January 1, 1995, may continue to be used until such time as an amendment thereto or a new rate or rating plan is filed, at which time such submission shall be subject to this article.

Amend the title accordingly

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

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

Those who voted in the affirmative were:

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

The motion prevailed. So the first portion of the amendment was adopted.

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

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Day	Knutson	McGowan	Runbeck
Beckman	Dille	Krentz	Merriam	Sams
Belanger	Frederickson	Laidig	Neuville	Stevens
Benson, D.D.	Hottinger	Langseth	Oliver	Stumpf
Benson, J.E.	Johnson, D.E.	Larson	Olson	Terwilliger
Berg	Johnston	Lesewski	Pariseau	Wiener
Bertram	Kiscaden	Lessard	Robertson	

Those who voted in the negative were:

Anderson	Hanson	Marty	Pappas	Samuelson
Berglin	Janezich	Metzen	Piper	Solon
Betzold	Johnson, D.J.	Moe, R.D.	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Price	Vickerman
Cohen	Kelly	Morse	Ranum	
Finn	Kroening	Murphy	Reichgott Junge	
Flynn	Luther	Novak	Riveness	

The motion prevailed. So the second portion of the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 2475 as follows:

Page 23, after line 8, insert:

“Section 1. Minnesota Statutes 1992, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] (a) “Occupational disease” means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, ~~or~~ sheriff or full-time deputy sheriff of any county, *or emergency medical services personnel as defined in section 144.761, subdivision 5, clauses (1) and (3),* and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, ~~or~~ sheriff's department of any county, *or the employer of the emergency medical services personnel as defined in section 144.761, subdivision 5, clauses (1) and (3),* which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected

carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer."

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 2475 as follows:

Page 20, line 29, delete "1975" and insert "1994"

Page 21, lines 11 and 12, delete ". Sections 2, 5, and 6" and insert ", and"

The motion prevailed. So the amendment was adopted.

Ms. Krentz moved to amend S.F. No. 2475 as follows:

Page 37, after line 10, insert:

"ARTICLE 5

INDEPENDENT CONTRACTORS

Section 1. Minnesota Statutes 1992, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to any of the following:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(b) a person employed by a family farm as defined by section 176.011, subdivision 11a;

(c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(d) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(e) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

(f) an executive officer of a family farm corporation;

(g) an executive officer of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

(h) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

(i) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in paragraph (g);

(j) another farmer or a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;

(k) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(l) persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor *nor to an independent contractor subject to section 3*;

(m) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;

(n) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter;

(o) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in paragraph (g), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;

(p) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year;

(q) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et. seq.

Sec. 2. Minnesota Statutes 1993 Supplement, section 176.041, subdivision 1a, is amended to read:

Subd. 1a. [ELECTION OF COVERAGE.] The persons, partnerships, limited liability companies, and corporations described in this subdivision may elect to provide the insurance coverage required by this chapter:

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c), may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, limited liability company, or corporation hiring an independent contractor; ~~as defined by rules adopted by the commissioner, not considered an employee pursuant to section 3, subdivision 2,~~ may elect to provide coverage for that independent contractor.

A person, partnership, limited liability company, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage, the name of the independent contractors, and the fee and how it is calculated.

The persons, partnerships, and corporations described in this subdivision may also elect coverage for an employee who is a spouse, parent, or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this subdivision. Coverage may be elected for a spouse, parent, or child whether or not coverage is elected for the related owner, partner, or executive director and whether or not the person, partnership, or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this subdivision shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this subdivision shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this subdivision. An election of coverage under this subdivision shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this subdivision shall be construed to limit the responsibilities of owners, partnerships, limited liability companies, or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 3. [176.042] [INDEPENDENT CONTRACTORS.]

Subdivision 1. [GENERAL RULE; ARE EMPLOYEES.] Except as provided in subdivision 2, every independent contractor doing industrial, commercial, or residential building construction or improvements in the public or private sector is, for the purpose of this chapter, an employee of any employer under this chapter for whom the independent contractor is performing service in the course of the trade, business, profession, or occupation of that employer at the time of the injury.

Subd. 2. [EXCEPTION.] An independent contractor is not an employee of an employer for whom the independent contractor performs work or services if the independent contractor meets all of the following conditions:

(1) maintains a separate business with the independent contractor's own office, equipment, materials, and other facilities;

(2) holds or has applied for a federal employer identification number;

(3) operates under contracts to perform specific services or work for specific amounts of money and under which the independent contractor controls the means of performing the services or work;

(4) incurs the main expenses related to the service or work that the independent contractor performs under contract;

(5) is responsible for the satisfactory completion of work or services that the independent contractor contracts to perform and is liable for a failure to complete the work or service;

(6) receives compensation for work or service performed under a contract on a commission or per job or competitive bid basis and not on any other basis;

(7) may realize a profit or suffer a loss under contracts to perform work or service;

(8) has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the independent contractor's business depends on the relationship of business receipts to expenditures.

Sec. 4. [EFFECTIVE DATE.]

This article is effective January 1, 1995."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lessard	Murphy	Reichgott Junge
Berglin	Janezich	Luther	Novak	Riveness
Betzold	Johnson, D.J.	Marty	Pappas	Samuelson
Chandler	Johnson, J.B.	Merriam	Piper	Solon
Cohen	Kelly	Metzen	Pogemiller	Spear
Finn	Krentz	Moe, R.D.	Price	Wiener
Flynn	Kroening	Mondale	Ranum	

Those who voted in the negative were:

Adkins	Bertram	Johnston	McGowan	Robertson
Beckman	Day	Kiscaden	Morse	Runbeck
Belanger	Dille	Knutson	Neuville	Sams
Benson, D.D.	Frederickson	Laidig	Oliver	Stevens
Benson, J.E.	Hottinger	Langseth	Olson	Terwilliger
Berg	Johnson, D.E.	Lesewski	Pariseau	Vickerman

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Lessard moved that the vote whereby the Krentz amendment to S.F. No. 2475 was adopted on April 28, 1994, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the Krentz amendment.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Marty	Pappas	Samuelson
Berglin	Johnson, D.J.	Merriam	Piper	Solon
Betzold	Johnson, J.B.	Metzen	Pogemiller	Spear
Chandler	Kelly	Moe, R.D.	Price	Wiener
Cohen	Krentz	Mondale	Ranum	
Finn	Kroening	Murphy	Reichgott Junge	
Flynn	Luther	Novak	Riveness	

Those who voted in the negative were:

Adkins	Day	Kiscaden	McGowan	Runbeck
Beckman	Dille	Knutson	Morse	Sams
Belanger	Frederickson	Laidig	Neuville	Stevens
Benson, D.D.	Hanson	Langseth	Oliver	Stumpf
Benson, J.E.	Hottinger	Larson	Olson	Terwilliger
Berg	Johnson, D.E.	Lesewski	Pariseau	Vickerman
Bertram	Johnston	Lessard	Robertson	

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

RECONSIDERATION

Having voted on the prevailing side, Ms. Krentz moved that the vote whereby the second portion of the Hottinger amendment to S.F. No. 2475 was adopted on April 28, 1994, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 49 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	Mondale	Sams
Anderson	Dille	Krentz	Morse	Samuelson
Beckman	Finn	Kroening	Neuville	Solon
Benson, D.D.	Flynn	Laidig	Oliver	Spear
Berg	Hanson	Langseth	Pappas	Stevens
Berglin	Hottinger	Lesewski	Piper	Stumpf
Bertram	Janezich	Lessard	Pogemiller	Terwilliger
Betzold	Johnson, D.J.	Luther	Price	Vickerman
Chandler	Johnson, J.B.	Marty	Ranum	Wiener
Cohen	Kelly	Moe, R.D.	Reichgott Junge	

Those who voted in the negative were:

Belanger	Frederickson	Johnston	Larson	Runbeck
Benson, J.E.	Johnson, D.E.	Knutson	Merriam	

The motion prevailed. So the vote was reconsidered.

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

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

Those who voted in the affirmative were:

Adkins	Dille	Laidig	Oliver	Terwilliger
Belanger	Frederickson	Larson	Olson	Vickerman
Benson, D.D.	Hottinger	Lesewski	Pariseau	Wiener
Benson, J.E.	Johnson, D.E.	Lessard	Robertson	
Berg	Johnston	McGowan	Runbeck	
Bertram	Kiscaden	Merriam	Sams	
Day	Knutson	Neuville	Stevens	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Morse	Ranum
Beckman	Hanson	Langseth	Murphy	Reichgott Junge
Berglin	Janezich	Luther	Novak	Rivenness
Betzold	Johnson, D.J.	Marty	Pappas	Samuelson
Chandler	Johnson, J.B.	Metzen	Piper	Solon
Cohen	Kelly	Moe, R.D.	Pogemiller	Spear
Finn	Krentz	Mondale	Price	Stumpf

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

Mr. Finn moved to amend S.F. No. 2475 as follows:

Page 18, line 19, delete from "The" through page 18, line 22, to "therefrom."

The motion prevailed. So the amendment was adopted.

Mr. Finn then moved to amend S.F. No. 2475 as follows:

Page 37, after line 10, insert:

"ARTICLE 5

Section 1. [WORKERS' COMPENSATION; COMMON LAW REPLACEMENT.]

Claims formerly subject to Minnesota Statutes, chapter 176, shall be governed by common law.

Sec. 2. [REPEALER.]

Minnesota Statutes 1992, sections 176.001; 176.011, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 9a, 11, 11a, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 27; 176.021; 176.031; 176.041, subdivisions 1, 2, 3, 4, 5a, and 6; 176.051; 176.061; 176.071; 176.081; 176.095; 176.101; 176.1011; 176.102; 176.1021; 176.103; 176.104; 176.1041; 176.105; 176.106; 176.111, subdivisions 1, 2, 3, 4, 6, 7, 8, 8a, 9a, 10, 12, 14, 15, 16, 17, 18, 20, and 21; 176.121; 176.129; 176.130; 176.1311; 176.132; 176.1321; 176.133; 176.135; 176.1351; 176.136, subdivisions 1, 1a, 1c, 2, and 3; 176.1361; 176.137; 176.138; 176.139; 176.141; 176.145; 176.151; 176.155; 176.161; 176.165; 176.171; 176.175; 176.178; 176.179; 176.181; 176.182; 176.183; 176.184; 176.185; 176.186; 176.191; 176.192; 176.194; 176.195; 176.201; 176.205; 176.211; 176.215; 176.221; 176.222; 176.225; 176.231; 176.232; 176.234; 176.235; 176.238; 176.239; 176.245; 176.251; 176.253; 176.261; 176.2615; 176.271; 176.275; 176.281; 176.285; 176.291; 176.295; 176.301; 176.305; 176.306; 176.307; 176.311; 176.312; 176.321; 176.322; 176.325; 176.331; 176.341; 176.351; 176.361; 176.371; 176.381; 176.391; 176.401; 176.411; 176.421; 176.442; 176.451; 176.461; 176.471; 176.481; 176.491; 176.511; 176.521, subdivisions 2a and 3; 176.522; 176.531; 176.540; 176.541; 176.551; 176.561; 176.571; 176.572; 176.581; 176.591; 176.603; 176.611; 176.641; 176.645; 176.651; 176.66; 176.669; 176.82; 176.83; 176.84; 176.85; and 176.86; Minnesota Statutes 1993 Supplement, sections 176.011, subdivision 10; 176.041, subdivision 1a; 176.091; 176.092; 176.111, subdivision 5; 176.136, subdivision 1b; 176.521, subdivisions 1 and 2; and 176.5401, are repealed.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title accordingly

Mr. Finn then moved to amend the Finn amendment to S.F. No. 2475 as follows:

Page 2, line 2, delete "*July*" and insert "*October*"

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

The question recurred on the second Finn amendment, as amended.

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

Those who voted in the affirmative were:

Adkins	Finn	Johnston	Murphy	Ranum
Beckman	Frederickson	Kiscaden	Neuville	Robertson
Belanger	Hanson	Laidig	Oliver	Samuelson
Benson, D.D.	Hottinger	Larson	Olson	Stevens
Chandler	Janezich	Lesewski	Pariseau	Terwilliger
Day	Johnson, D.E.	McGowan	Piper	

Those who voted in the negative were:

Anderson	Flynn	Lessard	Novak	Solon
Benson, J.E.	Johnson, D.J.	Luther	Pappas	Spear
Berg	Johnson, J.B.	Marty	Pogemiller	Stumpf
Berglin	Kelly	Merriam	Price	Vickerman
Bertram	Knutson	Metzen	Reichgott Junge	Wiener
Betzold	Krentz	Moe, R.D.	Riveness	
Cohen	Kroening	Mondale	Runbeck	
Dille	Langseth	Morse	Sams	

The motion did not prevail. So the Finn amendment, as amended, was not adopted.

S.F. No. 2475 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 39 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kiscaden	McGowan	Sams
Beckman	Dille	Knutson	Morse	Solon
Belanger	Frederickson	Krentz	Neuville	Stevens
Benson, D.D.	Hottinger	Laidig	Oliver	Stumpf
Benson, J.E.	Johnson, D.E.	Langseth	Olson	Terwilliger
Berg	Johnson, D.J.	Larson	Pariseau	Vickerman
Bertram	Johnson, J.B.	Lesewski	Robertson	Wiener
Betzold	Johnston	Lessard	Runbeck	

Those who voted in the negative were:

Anderson	Hanson	Merriam	Pappas	Riveness
Berglin	Janezich	Metzen	Piper	Samuelson
Chandler	Kelly	Moe, R.D.	Pogemiller	Spear
Cohen	Kroening	Mondale	Price	
Finn	Luther	Murphy	Ranum	
Flynn	Marty	Novak	Reichgott Junge	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Novak moved that the following members be excused for a Conference Committee on S.F. No. 1706 at 2:10 p.m.:

Messrs. Novak, Murphy, Metzen, Dille and Riveness. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2894 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2894: 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Finn	Krentz	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
Berglin	Janezich	Lessard	Pariseau	Stumpf
Bertram	Johnson, D.J.	Luther	Piper	Vickerman
Betzold	Johnson, J.B.	Marty	Pogemiller	Wiener
Chandler	Johnston	Merriam	Price	
Cohen	Kelly	Metzen	Ranum	
Day	Kiscaden	Mondale	Riveness	
Dille	Knutson	Morse	Robertson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kelly moved that S.F. No. 2500 be taken from the table. The motion prevailed.

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.

CONCURRENCE AND REPASSAGE

Mr. Kelly moved that the Senate concur in the amendments by the House to S.F. No. 2500 and that the bill be placed on its repassage as amended. The motion prevailed.

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; requiring disclosure of certain investment information; proposing coding for new law in Minnesota Statutes, chapters 354A; and 356.

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

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

The roll was called, and there were yeas 47 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Knutson	Murphy	Ranum
Anderson	Flynn	Krentz	Neuville	Riveness
Beckman	Frederickson	Laidig	Novak	Robertson
Benson, D.D.	Hottinger	Larson	Oliver	Runbeck
Benson, J.E.	Janezich	Luther	Olson	Spear
Berglin	Johnson, D.E.	Marty	Pappas	Terwilliger
Bertram	Johnson, D.J.	Merriam	Pariseau	Vickerman
Betzold	Johnson, J.B.	Moe, R.D.	Piper	
Chandler	Johnston	Mondale	Pogemiller	
Cohen	Kelly	Morse	Price	

Those who voted in the negative were:

Berg	Lesewski	Stevens	Stumpf	Wiener
Finn	Samuelson			

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 3179 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3179: A bill for an act relating to waters; preservation of wetlands; creating the wetlands wildlife legacy account; modifying easements; drainage and filling for public roads; defining terms; board action on local government plans; action on approval of replacement plans; computation of value; establishing special vehicle license plates for wetlands wildlife purposes; amending Minnesota Statutes 1992, sections 103F.516, subdivision 1; 103G.2242, subdivisions 1, 5, 6, 7, and 8; and 103G.237, subdivision 4; Minnesota Statutes 1993 Supplement, sections 103G.222; and 103G.2241; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

Mr. Stumpf moved to amend H.F. No. 3179, as amended pursuant to Rule 49, adopted by the Senate April 25, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2724.)

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1992, section 103F.516, subdivision 1, is amended to read:

Subdivision 1. [EASEMENTS.] Upon application by a landowner, the board may acquire permanent easements on land containing type 1, 2, or 3, or 6 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition)."

Page 7, line 4, delete "wetlands" and insert "a wetland basin"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend H.F. No. 3179, as amended pursuant to Rule 49, adopted by the Senate April 25, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2724.)

Page 1, after line 16, insert:

"Section 1. [84.947] [WETLANDS WILDLIFE LEGACY ACCOUNT.]

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

(b) "Development" means fencing, signing, and on-site improvement of the land that is related to the purposes in subdivision 3, paragraph (a). Development includes material or equipment that is purchased or rented and labor that is necessary to provide for the on-site improvement of the land.

(c) "Land costs" means the purchase price of land acquired by the commissioner under subdivision 3.

(d) "Maintenance" means on-site functions performed on a regular basis to sustain the environmental conditions that result from the original improvement of the land.

(e) "Other acquisition costs" means acquisition coordination costs, costs of engineering services, appraisal fees, attorney fees, taxes, assessments required at the time of purchase, and recording fees for land acquired by the commissioner under subdivision 3.

Subd. 2. [ACCOUNT ESTABLISHED.] The wetlands wildlife legacy account is established in the natural resources fund in the state treasury.

Subd. 3. [USE OF MONEY IN ACCOUNT.] (a) Subject to paragraph (b), money in the wetlands wildlife legacy account may be used for acquiring, preserving, enhancing, restoring, establishing, and managing wetlands for the benefit of wildlife and for the management of migratory waterfowl and other wetlands wildlife.

(b) Of the money annually appropriated and available from the wetlands wildlife legacy account:

(1) at least 50 percent must be used for land costs; and

(2) the remainder may only be used for other land acquisition costs, development and maintenance of lands acquired, and costs directly related to specific wildlife management activities."

Page 12, after line 15, insert:

"Sec. 11. [168.1296] [SPECIAL WETLANDS WILDLIFE LEGACY LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The

commissioner of public safety shall issue special wetlands wildlife legacy license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.12;

(4) pays the fees required under this chapter;

(5) contributes \$30 annually for the purposes specified in section 84.947; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with interested groups, the commissioners of natural resources and public safety shall jointly select a suitable symbol representing Minnesota wetlands wildlife for use by the commissioner of public safety to design the special plates.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Ninety percent of the \$30 contribution collected under this section must be credited to the wetlands wildlife legacy account. The remainder must be credited to the game and fish fund. The fees collected under subdivision 1, clauses (2) and (4), must be deposited in the highway user tax distribution fund.

Subd. 6. [RECORD.] The commissioner shall maintain a record of the number of special plates issued under this section."

Page 12, after line 29, insert:

"Sec. 14. [APPROPRIATION.]

\$100,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety for costs of handling and manufacturing special license plates under section 11."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing special license plates for wetlands wildlife purposes; establishing the wetlands wildlife legacy account;"

Page 1, line 15, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapters 84; and 168"

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

H.F. No. 3179 was read the third time, as amended, and placed on its final passage:

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS – CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2929 and that the rules of the Senate be so far suspended as to give S.F. No. 2929, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 2929: A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 3211 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 3211: A bill for an act relating to claims against the state; providing for payment of various claims; imposing a fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 3.

Mr. Kelly moved to amend H.F. No. 3211, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2910.)

Page 9, line 10, delete "\$71,000" and insert "\$32,220.40"

Page 9, line 13, delete "must" and insert "may"

Page 9, line 22, before the period, insert "*and must, as a condition of receiving reimbursement under this section, waive any and all claims against the state or its agents arising from the offers to remove hazardous waste described above. Payment may be made only upon receipt of a written release by the claimant in a form approved by the attorney general*"

The motion prevailed. So the amendment was adopted.

Mr. Kelly then moved to amend H.F. No. 3211, as amended pursuant to Rule 49, adopted by the Senate April 22, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2910.)

Page 4, after line 13, insert:

"Sec. 2. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 7. [CLAIMS ARISING FROM THE COMMUNITY WORK EXPERIENCE PROGRAM.] (a) Payment of any claims resulting from an alleged injury or death of a recipient participating in a community work experience program established and operated by a county pursuant to section 256.737 shall be determined in accordance with paragraph (b).

(b) Claims of \$1,000 or less that are subject to this section shall be investigated by the county agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance.

The investigating county agency shall submit all valid claims to the department of human services. The department shall pay the portion of an approved claim that is not covered by the claimant's insurance within three months of the date of submission. On or before the first day of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of claims paid during the preceding calendar year and shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate this program. Any unspent monies from this fund shall carry over to the second year of the biennium, and any unspent monies remaining at the end of the second year shall be returned to the state general fund.

A claim in excess of \$1,000, and a claim that was not paid by the department may be presented to, heard, and determined by the appropriate committees of the senate and house of representatives and, if approved, shall be paid pursuant to the legislative claims procedure.

(c) Compensation paid under this section is limited to reimbursement for medical expenses and compensation for disability as impairment compensation or death. No compensation shall be paid under this section for pain and suffering or lost wages. Payments made under this section shall be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(d) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivision. The claimant shall not be entitled to seek damages pursuant to any state or county insurance policy or self-insurance program.

(e) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards. A claim that is not valid because of failure to verify safety training or compliance with safety standards will not be paid by the department of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kelly then moved that H.F. No. 3211 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2658 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2658: 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.

Mr. Morse moved to amend H.F. No. 2658, as amended pursuant to Rule 49, adopted by the Senate April 25, 1994, as follows:

(The text of the amended House File is identical to S.F. No. 2357.)

Page 2, delete lines 19 to 21 and insert "*However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full-time for the year immediately preceding the time employment under this section ends.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2658 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 4, as follows:

Those who voted in the affirmative were:

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

Ms. Kiscaden, Mr. Larson, Ms. Robertson and Mr. Stevens voted in the negative.

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

NOTICE OF RECONSIDERATION

Mr. Berg gave notice of intention to move for reconsideration of H.F. No. 392 on Friday, April 29, 1994.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 2277: A bill for an act relating to metropolitan waste control commission; authorizing the commission to enter into agreements to implement total watershed management; proposing coding for new law in Minnesota Statutes, chapter 473.

Senate File No. 2277 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 28, 1994

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 2277 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2277 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2625.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 28, 1994

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 2625: A bill for an act relating to the metropolitan waste control commission; reducing the salary range of the chair; providing for a part-time chair; applying the uniform municipal contracting law to the metropolitan waste control commission; amending Minnesota Statutes 1992, sections 15A.081, subdivision 7; 473.503; and 473.523, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2625, now on General Orders.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Samuelson, Vickerman and Ms. Hanson introduced—

S.F. No. 2930: A bill for an act relating to veterans; establishing a veterans' cemetery; providing for funding; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1992, section 197.235.

Referred to the Committee on Veterans and General Legislation.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

APPOINTMENTS

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

H.F. No. 2411: Messrs. Lessard, Riveness and Frederickson.

H.F. No. 2365: Mr. Langseth, Ms. Johnston and Mr. Bertram.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today. Messrs. Cohen, Beckman and Laidig were excused from the Session of today from 8:30 to 9:30 a.m. Mr. Riveness was excused from the Session of today from 8:30 to 9:15 a.m. Mr. Johnson, D.J. was excused from the Session of today from 8:30 to 9:25 a.m. Mr. Murphy was excused from the Session of today from 8:30 to 10:45 a.m. Mr. Kelly was excused from the Session of today from 8:30 a.m. to 12:10 p.m. Mr. Spear was excused from the Session of today from 8:30 to 9:30 a.m. and from 4:00 to 4:20 p.m. Ms. Anderson was excused from the Session of today from 2:15 to 2:30 p.m. Mr. Novak was excused from the Session of today at 2:30 p.m. Ms. Olson was excused from the Session of today from 10:30 a.m. to 12:15 p.m. Mr. Lessard was excused from the Session of today from 1:40 to 2:00 p.m. Mr. Hottinger was excused from the Session of today from 4:10 to 4:20 p.m. Ms. Ranum, Messrs. Pogemiller, Kroening and Ms. Flynn were excused from the Session of today from 11:30 a.m. to 12:00 noon.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Friday, April 29, 1994. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate