

ONE HUNDRED FOURTH DAY

St. Paul, Minnesota, Wednesday, May 4, 1994

The Senate met at 9:30 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Bishop David W. Preus.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1736.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1994

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1961: A bill for an act relating to driving while intoxicated; imposing increased penalties on persons who operate a snowmobile or motorboat while intoxicated and who have previously been convicted of driving a motor vehicle while intoxicated; extending maximum length for multiple gross misdemeanor sentences and combined gross misdemeanor and misdemeanor sentences; extending maximum length of a stayed gross misdemeanor DWI sentence and certain felony sentences; authorizing consecutive sentences for multiple crimes committed by repeat DWI offenders; authorizing certain cities to transfer responsibility for petty misdemeanor and misdemeanor offenses to the county attorney; clarifying prosecution authority for certain offenses; amending Minnesota Statutes 1992, sections 84.91, subdivision 5; 86B.331, subdivision 5; 169.797, subdivision 4; Minnesota Statutes 1993 Supplement, sections 169.121, subdivisions 3 and 3a; 171.24; 487.25, subdivision 10; 609.035; 609.135, subdivision 2; and 609.15, subdivision 2.

Senate File No. 1961 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1994

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 1961 and that the bill be placed on its repassage as amended.

Mr. Lessard moved that the Senate do not concur in the amendments by the House to S.F. No. 1961, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 1961. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Lessard motion.

The roll was called, and there were yeas 20 and nays 43, as follows:

Those who voted in the affirmative were:

Beckman	Chmielewski	Johnson, D.J.	Oliver	Samuelson
Berg	Day	Lessard	Pariseau	Solon
Bertram	Dille	Metzen	Robertson	Stevens
Chandler	Janezich	Murphy	Sanis	Stumpf

Those who voted in the negative were:

Adkins	Benson, J.E.	Finn	Johnson, D.E.	Kiscaden
Anderson	Berglin	Flynn	Johnson, J.B.	Knutson
Belanger	Betzold	Frederickson	Johnston	Krentz
Benson, D.D.	Cohen	Hanson	Kelly	Kroening

Larson	Merriam	Novak	Ranum	Terwilliger
Lesewski	Moe, R.D.	Pappas	Reichgott Junge	Vickerman
Luther	Mondale	Piper	Riveness	Wiener
Marty	Morse	Pogemiller	Runbeck	
McGowan	Neuville	Price	Spear	

The motion did not prevail.

The question recurred on the motion of Mr. Merriam. The motion prevailed.

S.F. No. 1961 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 1, as follows:

Those who voted in the affirmative were:

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

Mr. Lessard voted in the negative.

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 Senate Files, herewith returned: S.F. Nos. 2011 and 2297.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 4, 1994

Mr. President:

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

S.F. No. 788: A bill for an act relating to energy; clarifying maximum energy consumption requirements for certain exit lamps; eliminating advance forecast reporting requirements for public electric utilities submitting advance forecasts in an integrated resource plan; updating the municipal energy conservation loan program; eliminating the district heating loan program; providing for certain energy related matters with respect to rental property; amending Minnesota Statutes 1992, sections 16B.61, subdivision 3; 116C.54; 216B.16, by adding a subdivision; 216B.241, subdivisions 1b and 2; 216C.17,

subdivision 3; 216C.19, subdivisions 17 and 19; 216C.31; 216C.37, subdivision 1; 299F.011, subdivision 4c; 446A.10, subdivision 2; 504.185, subdivision 1, and by adding a subdivision; and 504.22, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1992, sections 216C.36; and 327C.04, subdivision 4; Minnesota Rules, parts 7665.0200; 7665.0210; 7665.0220; 7665.0230; 7665.0240; 7665.0250; 7665.0300; 7665.0310; 7665.0320; 7665.0330; 7665.0340; 7665.0350; 7665.0360; 7665.0370; and 7665.0380.

Senate File No. 788 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 3, 1994

CONCURRENCE AND REPASSAGE

Ms. Johnson, J.B. moved that the Senate concur in the amendments by the House to S.F. No. 788 and that the bill be placed on its repassage as amended.

Mr. Novak moved that the Senate do not concur in the amendments by the House to S.F. No. 788, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Finn imposed a call of the Senate for the balance of the proceedings on S.F. No. 788. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Novak motion.

The roll was called, and there were yeas 21 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Langseth	Metzen	Pappas	Spear
Cohen	Lesewski	Mondale	Ranum	
Dille	Marty	Neuville	Riveness	
Kelly	McGowan	Novak	Robertson	
Kiscaden	Merriam	Oliver	Runbeck	

Those who voted in the negative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Sams
Anderson	Finn	Johnston	Morse	Samuelson
Beckman	Flynn	Knutson	Murphy	Solon
Belanger	Frederickson	Krentz	Olson	Stevens
Benson, D.D.	Hanson	Kroening	Pariseau	Stumpf
Benson, J.E.	Hottinger	Laidig	Piper	Terwilliger
Bertram	Janezich	Larson	Pogemiller	Vickerman
Betzold	Johnson, D.E.	Lessard	Price	Wiener
Chandler	Johnson, D.J.	Luther	Reichgott Junge	

The motion did not prevail.

The question recurred on the motion of Ms. Johnson, J.B. The motion prevailed.

S.F. No. 788: A bill for an act relating to utilities; prohibiting a municipality

from using a quick take condemnation proceeding when acquiring the property of another electric service provider through eminent domain; amending Minnesota Statutes 1992, section 216B.47.

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 44 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dille	Johnston	Moe, R.D.	Sams
Anderson	Finn	Knutson	Morse	Samuelson
Beckman	Frederickson	Krentz	Murphy	Solon
Belanger	Hanson	Kroening	Olson	Stevens
Benson, D.D.	Hottinger	Laidig	Pariseau	Stumpf
Benson, J.E.	Janezich	Larson	Piper	Terwilliger
Bertram	Johnson, D.E.	Lesewski	Pogemiller	Vickerman
Chandler	Johnson, D.J.	Lessard	Price	Wiener
Day	Johnson, J.B.	Luther	Reichgott Junge	

Those who voted in the negative were:

Berglin	Kiscaden	Metzen	Pappas	Spear
Betzold	Langseth	Mondale	Ranum	
Cohen	Marty	Neuville	Riveness	
Flynn	McGowan	Novak	Robertson	
Kelly	Merriam	Oliver	Runbeck	

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 that the House has adopted the recommendation and report of the Conference Committee on House File No. 2617, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2617 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 2617

A bill for an act relating to alcoholic beverages; defining terms; regulating agreements between brewers and wholesalers; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting certain solicitations by wholesalers; allowing only owner of a brand of distilled spirits to register that brand; denying registration to certain brand labels; requiring reports by certain brewers; requiring permits for transporters of distilled spirits and wine; removing requirements that retail licensees be citizens or resident aliens; allowing counties to issue on-sale licenses to hotels; allowing political committees to obtain temporary on-sale licenses; restricting issuance of off-sale licenses to drugstores; allowing counties to issue exclusive liquor store licenses in certain towns; allowing counties to issue wine auction

licenses; restricting issuance of temporary on-sale licenses to one organization or for one location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating wine tastings; allowing on-sales of intoxicating liquor after 8 p.m. on Christmas eve; allowing certain sales by off-sale retailers to on-sale retailers; restricting use of coupons by retailers, wholesalers, and manufacturers; providing for inspection of premises of temporary on-sale licensees; authorizing issuance of licenses by certain cities and counties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.505; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A.

May 3, 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. 2617, 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. 2617 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1992, section 325B.02, is amended to read:

325B.02 [NO INDUCEMENT OR COERCION.]

No brewer shall:

(1) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to accept delivery of any alcoholic beverage or any other commodity which shall not have been ordered by the beer wholesaler.

(2) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to do any illegal act or thing by threatening to amend, cancel, terminate, or refuse to renew any agreement existing between a brewer and a beer wholesaler.

(3) Require a wholesaler to assent to any condition, stipulation or provision limiting the wholesaler's right to sell the product of any other brewer anywhere in the state of Minnesota, provided that the acquisition of the product of another brewer does not materially impair the quality of service or quantity of sales of the existing brand or brands of the brewer seeking to impose the condition, stipulation or provision.

(4) Refuse to supply, in reasonable quantities and within a reasonable time after receipt of the wholesaler's order, beer ordered by a wholesaler who has an agreement with the brewer for sale and distribution of the brewer's beer, unless the refusal to supply is due to:

(i) the brewer's prudent and reasonable restrictions on extension of credit to the wholesaler;

(ii) weather or other natural events;

(iii) a work stoppage or delay resulting from a strike or other labor dispute;

(iv) a bona fide shortage of materials;

(v) a freight embargo; or

(vi) any other cause over which the brewer or the brewer's agents have no control.

Sec. 2. [325B.031] [BRANDS; BRAND EXTENSIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(a) "Brand" is any word, name, group of letters, symbol, or combination thereof, that is adopted and used by a brewer or importer to identify a specific beer product, and to distinguish that beer product from another beer product.

(b) "Brand extension" is any brand that (1) incorporates all or a substantial part of the unique features of a preexisting brand of the same brewer or importer, and (2) which relies to a significant extent on the goodwill associated with that preexisting brand.

Subd. 2. [BRAND EXTENSION TO BE ASSIGNED.] A brewer or importer who assigns a brand extension to a wholesaler must assign the brand extension to the wholesaler to whom the brewer or importer granted the exclusive sales territory to the brand from which the brand extension resulted. This requirement does not apply to assignments of brand extensions to wholesalers that were made by a brewer or importer before the effective date of this section.

Subd. 3. [ADDITIONAL BRAND EXTENSION.] In the event that prior to the effective date of this section a brewer or importer had assigned a brand extension to a wholesaler who was not the appointed wholesaler for the brand from which the brand extension was made, then any additional brand extension must be assigned to the wholesaler who first had the brand.

Sec. 3. Minnesota Statutes 1992, section 325B.04, is amended to read:

325B.04 [CANCELLATION TERMINATION OF AGREEMENTS.]

Subdivision 1. [TERMINATIONS.] Notwithstanding the terms, provisions or conditions of any agreement, no brewer shall amend, cancel, terminate or refuse to continue to renew any agreement, or cause a wholesaler to resign from an agreement, unless good cause exists for amendment, termination, cancellation, nonrenewal, noncontinuation or causing a resignation. "Good cause" shall not include the sale or purchase of a brewer. "Good cause" shall include, but not be limited to, the following:

(1) Revocation of the wholesaler's license to do business in the state.

(2) Bankruptcy or insolvency of the wholesaler.

(3) Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler.

(4) Failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed upon the wholesaler by the brewer, the brewer:

(1) has satisfied the notice and opportunity to cure requirements of section 325B.05;

(2) has acted in good faith; and

(3) has good cause for the cancellation, termination, nonrenewal, discontinuance, or forced resignation.

Subd. 2. [GOOD CAUSE.] For purposes of subdivision 1:

(a) "Good cause" includes, but is not limited to, the following:

(1) revocation of the wholesaler's license under section 340A.304;

(2) the wholesaler's bankruptcy or insolvency;

(3) assignment of the assets of the wholesaler for the benefit of creditors, or a similar disposition of the wholesaler's assets; or

(4) a failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed on the wholesaler by the brewer, where the failure was discovered by the brewer not more than one year before the date on which the brewer gave notice to the wholesaler under section 325B.05.

(b) "Good cause" does not include the sale or purchase of a brewer.

Sec. 4. Minnesota Statutes 1992, section 325B.05, is amended to read:

325B.05 [NOTICE OF INTENT TO TERMINATE.]

Except as provided in this section, a brewer shall provide a wholesaler at least 90 days prior written notice of any intent to amend, terminate, cancel or not renew any agreement. The notice shall state all the reasons for the intended amendment, termination, cancellation or nonrenewal. The wholesaler shall have 90 days in which to rectify any claimed deficiency. If the deficiency shall be rectified within 90 days of notice, then the proposed amendment, termination, cancellation or nonrenewal shall be null and void and without legal effect. The notice provisions of this section shall not apply if the reason for the amendment, termination, cancellation, or nonrenewal is:

(1) The bankruptcy or insolvency of the wholesaler.

(2) An assignment for the benefit of creditors or similar disposition of the assets of the business.

(3) Revocation of the wholesaler's license.

(4) Conviction or a plea of guilty or no contest to a charge of violating a law relating to the business that materially affects the wholesaler's ability to remain in business.

Subdivision 1. [NOTICES; TIME LIMIT.] (a) Notwithstanding any provision to the contrary in any agreement between a brewer and a wholesaler, a brewer who intends to terminate, cancel, discontinue, or refuse to renew an agreement with a wholesaler must furnish written notice to that effect to the wholesaler not less than 90 days before the effective date of the intended

action and must provide the wholesaler with a bona fide opportunity to substantially cure any claimed deficiency within the 90 days.

(b) The notice must be sent by certified mail and must contain, at a minimum, (1) the effective date of the intended action, and (2) a statement of the nature of the intended action and the brewer's reasons therefor.

(c) In no event may a termination, cancellation, discontinuance, or nonrenewal be effective until at least 90 days from the wholesaler's receipt of written notice under this section, unless the wholesaler has consented in writing to a shorter period.

Subd. 2. [NOTICES; OTHER PROVISIONS.] Notwithstanding subdivision 1 or section 325B.04, a brewer may terminate or refuse to renew an agreement on not less than 15 days' written notice to the wholesaler, upon any of the following occurrences:

- (1) the bankruptcy or insolvency of the wholesaler;
- (2) an assignment of the wholesaler's assets for the benefit of creditors, or a similar disposition of those assets;
- (3) revocation of the wholesaler's license under section 340A.304; or
- (4) conviction or a plea of guilty or no contest to a charge of violating any state or federal law, where the violation materially affects the wholesaler's right to remain in business. A notice under this subdivision must meet the requirements of subdivision 1, paragraph (b).

Sec. 5. Minnesota Statutes 1992, section 325B.12, is amended to read:

325B.12 [NO DISCRIMINATION.]

Subdivision 1. [DISCRIMINATION PROHIBITED.] No brewer shall discriminate among its wholesalers in any business dealings including, but not limited to, the price of beer sold to the wholesaler, unless the classification among its wholesalers is based upon reasonable grounds. Nothing in this section shall be construed to prohibit the sale or offer of sale of beer at a volume discount.

Subd. 2. [SALES; REBATES.] No brewer may:

- (1) sell or offer to sell any beer to any Minnesota wholesaler at a price lower than the actual price offered to any other Minnesota wholesaler for the same product;
- (2) utilize any method, including but not limited to, a sales promotion plan or program:
 - (i) that constitutes or results in a different offer being made to wholesalers for the same product;
 - (ii) that relates in any way to the price being charged or to be charged by a wholesaler to a retailer, including without limitation, any arrangement whereby the wholesale price is connected with any reduction from or addition to the wholesaler's normal price to retail; or
 - (iii) that results in a fixed retail price predetermined by a brewer; or
- (3) utilize any rebate plan or program in connection with the sale of beer to a Minnesota wholesaler, unless:

(i) the brewer pays rebates to a wholesaler, pursuant to a rebate plan or program, within ten days after the wholesaler provides the brewer with appropriate documentation as reasonably required by the brewer;

(ii) the rebate plan or program guarantees that the brewer will make a rebate payment no later than 45 days after the initiation of a rebate plan or program, provided that a wholesaler timely submits appropriate documentation as reasonably required by a brewer; and

(iii) in the event of an audit, other examination, or claim by a brewer regarding the propriety of rebate payments made to a wholesaler, a brewer shall only be permitted to examine a wholesaler's records going back one year from the date of the audit, other examination, or claim and shall only be permitted to seek reimbursement for rebate payments made to the wholesaler during the one-year period.

Sec. 6. Minnesota Statutes 1992, section 340A.101, subdivision 13, is amended to read:

Subd. 13. [HOTEL.] "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

(1) a resident proprietor or manager;

(2) a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; and

(3) (2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, 25; in all other cities and unincorporated areas, 10.

Sec. 7. Minnesota Statutes 1992, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$15,000
Duplicates	\$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500
(c) Brewers other than those described in clause (d) and (i)	\$ 2,500
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than 2,000 3,500 barrels of malt liquor in a year, except as provided in subdivision 10, the entire production of which is solely for consumption on tap on the licensed premises	\$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 2,000

- (g) Wholesalers of intoxicating malt liquor \$ 600
Duplicates \$ 25
- (h) Wholesalers of 3.2 percent malt liquor \$ 10
- (i) *Brewers who manufacture fewer than 2000 barrels of malt liquor in a year* \$ 150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 8. Minnesota Statutes 1992, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture. *Malt liquor brewed by such a licensee may not be removed from the licensed premises unless the malt liquor is entered in a tasting competition where none of the malt liquor so removed is sold.*

Sec. 9. Minnesota Statutes 1992, section 340A.301, is amended by adding a subdivision to read:

Subd. 10. [BREWERY-RESTAURANTS; PERMITS.] *A licensed brewer of malt liquor described in subdivision 6, clause (d), may apply to the commissioner for a permit to manufacture more than 3,500 barrels of malt liquor in a calendar year. The commissioner shall issue the permit if the commissioner determines that (1) the brewer will manufacture at least 3,500 barrels of malt liquor in that year, and (2) all malt liquor manufactured by the brewer will be consumed on the licensed premises only, except as provided in subdivision 7, paragraph (b). The permit authorizes the permit holder to manufacture more than 3,500 barrels of malt liquor in the year in which the permit is issued, for consumption on the licensed premises only. A permit under this subdivision expires on December 31 of the year of issuance.*

Sec. 10. Minnesota Statutes 1992, section 340A.307, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] Nothing in this section applies to:

- (a) ~~(1)~~ wine or malt liquor of any alcohol content; ~~or~~
- (b) ~~(2)~~ intoxicating liquor which is:
 - ~~(1)~~ (i) further distilled, refined, rectified, or blended within the state; and
 - ~~(2)~~ (ii) bottled within the state and labeled with the importer's own labels after importation into the state; *or*
- (3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.*

Sec. 11. Minnesota Statutes 1992, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law and the retailer knew or had reason to know that the furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

- (1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$400 excluding installation and repair costs;
- (2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$300 in a year;
- (3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;
- (4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail; ~~or~~
- (5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; *or*

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

Sec. 12. Minnesota Statutes 1992, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or 3.2 percent malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is \$30. The fee for brand registration renewal is \$20. The brand label of a brand of intoxicating liquor or 3.2 percent malt liquor for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

(d) *The commissioner shall refuse to register a malt liquor brand label, and shall revoke the registration of a malt liquor brand label already registered, if the brand label states or implies in a false or misleading manner a connection with an actual living or dead American Indian leader. This paragraph does not apply to a brand label registered for the first time in Minnesota before January 1, 1992.*

Sec. 13. [340A.318] [REPORTS BY BREWERS.]

The commissioner may require a brewer that manufactures 25,000 or fewer barrels of malt liquor in any year to report to the commissioner, on a form and at the frequency the commissioner prescribes, on the total amount of malt liquor brewed by the brewer.

Sec. 14. [340A.32] [TRANSPORTATION OF ALCOHOLIC BEVERAGES.]

Subdivision 1. [PERMIT REQUIRED.] No person other than the holder of a valid retailer's identification card issued by the commissioner may transport distilled spirits or wine intended for resale to consumers without possessing a valid alcoholic beverage transporter's permit issued under this section.

Subd. 2. [ISSUANCE OF PERMIT.] (a) A person seeking a transporter's permit must submit an application, on a form the commissioner prescribes, that contains the applicant's name and address, and if a corporation, the names and addresses of the corporation's officers and such other information as the commissioner deems necessary.

(b) A permit under this section is valid for one year. The annual fee for the permit is \$20.

Subd. 3. [SUSPENSION; REVOCATION.] The commissioner may revoke, or suspend for up to 60 days, a permit under this subdivision, or impose on the permit holder a civil fine of not more than \$2,000 for each violation, on a finding that the permit holder has violated a provision of this chapter or a rule of the commissioner. A suspension or revocation is a contested case under the administrative procedure act.

Subd. 4. [PREMISES.] For purposes of inspection of premises of transporter permit holders under section 340A.907, "premises" includes any vehicle the transporter uses to transport distilled spirits or wine.

Sec. 15. Minnesota Statutes 1993 Supplement, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

(3) (2) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

(4) (3) a person not of good moral character and repute; or

(5) (4) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 16. Minnesota Statutes 1992, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, or club, or hotel with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 17. Minnesota Statutes 1992, section 340A.404, subdivision 10, is amended to read:

Subd. 10. [TEMPORARY ON-SALE LICENSES.] The governing body of a municipality may issue to a club or charitable, religious, or other nonprofit organization in existence for at least three years, or to a political committee registered under section 10A.14, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than three consecutive days, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for

intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

Sec. 18. Minnesota Statutes 1992, section 340A.405, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] (a) A city *other than a city of the first class* may issue with the approval of the commissioner, an off-sale intoxicating liquor license to an exclusive liquor store, or to a drugstore *to which an off-sale license had been issued on or prior to May 1, 1994.*

(b) A city of the first class may issue an off-sale license to *an exclusive liquor store*, a general food store to which an off-sale license had been issued on August 1, 1989, *or a drugstore to which an off-sale license had been issued on or prior to May 1, 1994.*

Sec. 19. Minnesota Statutes 1992, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue *an off-sale license to an exclusive liquor store within that town, or a combination off-sale and on-sale license to ~~restaurants~~ a restaurant* within that town, with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route

from the boundary of any statutory or home rule city that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a new license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of a city that (1) is located outside the metropolitan area as defined in section 473.121, subdivision 2, (2) has a population over 5,000 according to the most recent federal decennial census, and (3) had established a municipal liquor store before August 1, 1991.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 20. Minnesota Statutes 1992, section 340A.405, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY OFF-SALE LICENSES; WINE AUCTIONS.] (a) The governing body of a city or county may issue a temporary license for the off-sale of wine at an auction with the approval of the commissioner. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by the issuing city or county. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable.

(b) As used in the subdivision, "vintage wine" means bottled wine which is at least five years old.

Sec. 21. Minnesota Statutes 1992, section 340A.410, is amended by adding a subdivision to read:

Subd. 10. [TEMPORARY LICENSES; RESTRICTION ON NUMBER.] A municipality may not issue more than three temporary licenses for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period. This restriction applies to temporary licenses issued under sections 340A.403, subdivision 2, and 340A.404, subdivision 10.

Sec. 22. Minnesota Statutes 1992, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] (a) A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.

(b) A municipality may not allow the same business name to be used by more than one of its off-sale intoxicating liquor licensees.

(c) For purposes of this subdivision, "person" means:

(1) a holder of an off-sale intoxicating liquor license;

(2) *an officer, director, agent, or employee of a holder of an off-sale intoxicating liquor license; or*

(3) *an affiliate of a holder of an off-sale intoxicating liquor license, regardless of whether the affiliation is corporate or by management, direction, or control.*

Sec. 23. Minnesota Statutes 1993 Supplement, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.]

~~The authority issuing any retail license or permit under this chapter or the commissioner shall either suspend for up to 60 days or revoke the license or permit or impose a civil penalty not to exceed \$2,000 for each violation. On a finding that the license or permit holder has (1) sold alcoholic beverages to another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from another retail licensee for the purpose of resale, (3) conducted or permitted the conduct of gambling on the licensed premises in violation of the law, (4) failed to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages, the commissioner or the authority issuing a retail license or permit under this chapter may revoke the license or permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to \$2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license or permit holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearings. Imposition of a penalty or suspension by either the issuing authority or the commissioner does not preclude imposition of an additional penalty or suspension by the other so long as the total penalty or suspension does not exceed the stated maximum.~~

Sec. 24. Minnesota Statutes 1992, section 340A.416, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF ELECTION RESULTS.] If a majority of persons voting on the referendum question ~~the~~ vote "against license," the city may not issue intoxicating liquor licenses until the results of the referendum have been reversed at a subsequent election where the question has been submitted as provided in this section.

Sec. 25. [340A.417] [WINE TASTINGS.]

Subdivision 1. [DEFINITION.] For purposes of this section, a "wine tasting" is an event of not more than four hours' duration at which persons pay a fee or donation to participate, and are allowed to consume wine by the glass without paying a separate charge for each glass.

Subd. 2. [TASTINGS AUTHORIZED.] (a) A charitable, religious, or other nonprofit organization may conduct a wine tasting on premises the organization owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section. An organi-

zation holding a temporary license may be assisted in conducting the wine tasting by another nonprofit organization.

(b) An organization that conducts a wine tasting under this section may use the net proceeds from the wine tasting only for:

(1) the organization's primary nonprofit purpose; or

(2) donation to another nonprofit organization assisting in the wine tasting, if the other nonprofit organization uses the donation only for that organization's primary nonprofit purpose.

(c) No wine at a wine tasting under this section may be sold, or orders taken, for off-premise consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine for a wine tasting conducted under this section from a wholesaler licensed to sell wine, and the wholesaler may sell or give wine to an organization for a wine tasting conducted under this section and may provide personnel to assist in the wine tasting. A wholesaler who sells or gives wine to an organization for a wine tasting under this section must deliver the wine directly to the location where the wine tasting is conducted.

Sec. 26. Minnesota Statutes 1992, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3.

Sec. 27. [340A.5071] [COUPONS PROHIBITED.]

A retailer of alcoholic beverages may not accept as full or partial payment for any product any coupons that are redeemed directly or indirectly from a manufacturer or wholesaler of alcoholic beverages.

Sec. 28. Minnesota Statutes 1992, section 340A.907, is amended to read:

340A.907 [INSPECTION.]

The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer. For a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10, the

commissioner's authority under this section extends for two years beyond the expiration of the temporary license or the permit.

Sec. 29. [ST. LOUIS COUNTY; OFF-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (c), the St. Louis county board may issue one off-sale intoxicating liquor license to a premises located in Embarrass township.

Sec. 30. [ST. PAUL; LICENSE AUTHORIZED.]

(a) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the College of St. Catherine catering service for the sale of wine and 3.2 percent malt liquor at O'Shaughnessy auditorium and St. Joseph's hall on the campus of the College of St. Catherine. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending social events or performances at O'Shaughnessy auditorium or St. Joseph's hall.

(b) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the catering service that serves the University of St. Thomas for the sale of wine and 3.2 percent malt liquor at the Murray Herrick Campus Center and the O'Shaughnessy Education Center on the campus of the University of St. Thomas. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending events at the Murray Herrick Campus Center or the O'Shaughnessy Education Center.

(c) The licenses authorized by this section are in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 31. [EDEN PRAIRIE; ON-SALE LICENSES.]

The Eden Prairie city council may issue eight on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 32. [EAGAN; LICENSES AUTHORIZED.]

The city of Eagan may issue not more than three on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 33. [CLAY COUNTY; OFF-SALE LICENSE.]

Notwithstanding any state or local law or charter provision, the Clay county board may issue one off-sale intoxicating liquor license to a premises located in Elkton township. The license is subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 34. [BURNSVILLE; ADDITIONAL LICENSES.]

The city of Burnsville may issue up to three on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 35. [EFFECTIVE DATE.]

Sections 2, 7, 8, 9, 10, 18, and 25 are effective the day following final enactment. Section 29 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 30 is effective on approval by the St. Paul city council and compliance with section 645.021, subdivision 3. Section 31 is effective on approval by the Eden Prairie city council and compliance with section 645.021, subdivision 3. Section 32 is effective on approval by the Eagan city council and compliance with section 645.021, subdivision 3. Section 33 is effective on approval by the Clay county board and compliance with section 645.021, subdivision 3. Section 34 is effective on approval by the Burnsville city council and compliance with sections 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting brewer refusal to supply; regulating brand extensions and termination of agreements; prohibiting discrimination in sales and rebates; setting license fees; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting registration brand label stating or implying a false or misleading connection with an American Indian leader; requiring monthly reports by microbrewers; removing restriction on sale of intoxicating liquor on Christmas Eve and Christmas day; providing for inspection of premises of temporary on-sale licenses; authorizing issuance of licenses by certain counties and cities; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.504, subdivision 2; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A."

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

House Conferees: (Signed) Joel Jacobs, Jim Tunheim, Jerry Dempsey

Senate Conferees: (Signed) Sam G. Solon, James P. Metzen, Dick Day

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2617 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. 2617 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	Finn	Krentz	Metzen	Reichgott Junge
Anderson	Flynn	Kroening	Mondale	Robertson
Beckman	Frederickson	Laidig	Morse	Runbeck
Belanger	Hanson	Langseth	Neuville	Samuelson
Benson, D.D.	Hottinger	Larson	Oliver	Solon
Benson, J.E.	Janezich	Lesewski	Pappas	Spear
Berglin	Johnson, D.E.	Lessard	Pariseau	Stevens
Betzold	Johnson, D.J.	Luther	Piper	Stumpf
Chandler	Johnson, J.B.	Marty	Pogemiller	Terwilliger
Cohen	Kelly	McGowan	Price	Vickerman
Day	Knutson	Merriam	Ranum	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 House File No. 3193, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3193 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 4, 1994

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3193

A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; allowing school districts to make and levy for certain contract or lease purchases; changing contract requirements for certain projects; changing certain debt service fund requirements; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 383.06, subdivision 2; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.015, subdivision 4; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5; 471.562, subdivision 3, and by adding a subdivision; 475.52, subdivision 1; 475.53, subdivision 5; 475.54, subdivision 16; 475.66, subdivision 1; and 475.79; Minnesota Statutes 1993 Supplement, sections 124.91, subdivision 3; 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469.

May 3, 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. 3193, 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. 3193 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real *or personal* property under an installment contract or may lease real *or personal* property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, “district” means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

(g) *For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.*

Sec. 2. Minnesota Statutes 1992, section 270A.03, subdivision 2, is amended to read:

Subd. 2. [CLAIMANT AGENCY.] "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city presenting a claim for a municipal hospital, a hospital district, any public agency responsible for child support enforcement, ~~and~~ any public agency responsible for the collection of court-ordered restitution, *and any public agency established by general or special law that is responsible for the administration of a low-income housing program.*

Sec. 3. Minnesota Statutes 1993 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d), other than those that qualify for exemption under clause (25);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall

refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as

defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) A structure that is situated on real property that is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and which meets each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

(27) Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

(28) *Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement*

as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Sec. 4. Minnesota Statutes 1992, section 383.06, subdivision 2, is amended to read:

Subd. 2. [TAX ANTICIPATION CERTIFICATES.] The county board of any county may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not ~~at any time on the date on which the certificates are issued~~ exceed 50 75 percent of the amount of taxes previously levied for such fund remaining uncollected. No certificate shall be issued to become due and payable later than 15 months after the deadline for the certification of the property tax levy under section 275.07, subdivision 1, and the certificates shall not be sold for less than par and accrued interest. The certificates of indebtedness may be issued at any time after the levy has been finally made and certified to the county auditor. ~~Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose.~~ They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Money derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 5. Minnesota Statutes 1992, section 429.011, is amended by adding a subdivision to read:

Subd. 16. *"On-site water contaminant improvements" means pipes, wells, and other devices and equipment installed in or outside a building for the primary purpose of eliminating water contamination caused by lead or other toxic or health threatening substances in the water, whether the improvements so installed are publicly or privately owned.*

Sec. 6. Minnesota Statutes 1992, section 429.031, subdivision 3, is amended to read:

Subd. 3. [PETITION BY ALL OWNERS.] Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against the owner's property pursuant to section 429.081. In the case of a petition for the ~~installation of~~ *municipality to own*

and install a fire protection ~~or~~ system, a pedestrian skyway system, or on-site water contaminant improvements, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection ~~or~~ system, pedestrian skyway system, or on-site water contaminant improvements. In the case of a petition for the installation of a privately owned fire protection ~~or~~ system, a privately owned pedestrian skyway system ~~which will be privately owned, or privately owned on-site water contaminant improvements~~, the petition shall also contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection ~~or~~ system, a pedestrian skyway system, or on-site water contaminant improvements, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.

Sec. 7. Minnesota Statutes 1992, section 469.006, subdivision 1, is amended to read:

Subdivision 1. [COUNTY COMMISSIONERS.] When the governing body of a county adopts a resolution under section 469.004, the governing body shall appoint five persons *or the number of commissioners for the governing body* as commissioners of the county authority. The membership of the commission will reflect an areawide distribution on a representative basis. The commissioners who are first appointed shall be designated to serve for terms of one, two, three, four, and five years respectively, from the date of their appointment. Thereafter commissioners shall be appointed for a term of office of five years except that all vacancies shall be filled for the unexpired term. Persons may be appointed as commissioners if they reside within the boundaries or area, and are otherwise eligible for the appointments under sections 469.001 to 469.047.

Sec. 8. Minnesota Statutes 1992, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

- (1) in the case of a contract for the acquisition of a low-rent housing project:
 - (i) for which financial assistance is provided by the federal government;
 - (ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract but the contract provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of *any building in which at least 75 percent of the useable square footage constitutes* a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

(ii) the project is either located on land that is owned or is being acquired by the authority only for development purposes, or is not owned by the authority at the time the contract is entered into but the contract provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 9. Minnesota Statutes 1993 Supplement, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a tax upon all taxable property within that taxing district. ~~The authority shall certify the tax to the auditor of the county in which the taxing district is located on or before five working days after December 20 in each year.~~ The tax shall be extended,

spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended only for the purposes of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0131 percent of taxable market value. The authority may levy an additional levy, not to exceed 0.0013 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 469.012, subdivision 1. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 10. Minnesota Statutes 1992, section 469.158, is amended to read:

469.158 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.]

Bonds authorized under sections 469.152 to 469.165 must be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale is not required, *the provisions of sections 475.62 and 475.63 do not apply*, and the bonds may mature at the time or times, in the amount or amounts, within 30 years from date of issue, and may be sold at a price equal to the percentage of the par value thereof, plus accrued interest, and bearing interest at the rate or rates agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. Bonds issued to refund bonds previously issued pursuant to sections 469.152 to 469.165 may be issued in amounts determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3.

Sec. 11. Minnesota Statutes 1992, section 469.184, is amended by adding a subdivision to read:

Subd. 12. [SECONDARY MARKET.] A city may sell, at private or public sale, at the price or prices determined by the city, a note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made under this section.

Sec. 12. [469.192] [ECONOMIC DEVELOPMENT LOANS.]

A statutory city, a home rule charter city, an economic development authority, a housing and redevelopment authority, or a port authority may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose that the entity is otherwise authorized to carry out under sections 116N.08, 469.001 to 469.068, 469.090 to 469.1081, 469.124 to 469.134, 469.152 to 469.165, or any special law.

Sec. 13. Minnesota Statutes 1992, section 471.56, subdivision 5, is amended to read:

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan agency, as defined in section 473.121, may:

(1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; and

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a), but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement; and

(3) enter into interest rate swap agreements or interest rate cap agreements with respect to notional principal amounts that are not greater than one-half of the previous fiscal year's average investable cash, with counterparties whose equivalent obligations are rated A+ or better by a nationally recognized rating agency.

Sec. 14. Minnesota Statutes 1992, section 471.562, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means ~~any city, however organized a statutory city, a home rule charter city, a housing and redevelopment authority created pursuant to, or exercising the powers of such an authority contained in, chapter 462 469, or a port authority created pursuant to, or exercising the powers of such an authority contained in, chapter 458 469, or an economic development authority created pursuant to or exercising the powers of such an authority contained in chapter 469.~~

Sec. 15. Minnesota Statutes 1992, section 471.562, is amended by adding a subdivision to read:

Subd. 5. [SECONDARY MARKET.] *A municipality may sell, at private or public sale, at the price or prices determined by the municipality, a note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan described in subdivision 2.*

Sec. 16. Minnesota Statutes 1992, section 475.53, subdivision 5, is amended to read:

Subd. 5. [CERTAIN INDEPENDENT SCHOOL DISTRICTS.] No independent school district located wholly or partly within a city of the first class shall issue any obligations unless first authorized by a two thirds vote of the governing body of such city. No such school district shall issue obligations running with a term of more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds 0.7 percent of the market value of the taxable property within the school district.

Sec. 17. Minnesota Statutes 1992, section 475.54, subdivision 16, is amended to read:

Subd. 16. A municipality may enter into an agreement with a bank or dealer described in section 475.66, subdivision 1, for an exchange of interest rates pursuant to this subdivision if the agreement either is with or is guaranteed by a party whose equivalent obligations are rated A+ or better by a nationally recognized rating agency. A municipality with outstanding obligations bearing interest at a variable rate or a municipality which has determined to issue obligations it is authorized to issue may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations at the time of payment, in exchange for an agreement by the bank or dealer counterparty to pay sums equal to interest on a like amount at a fixed rate or a variable rate determined pursuant to a formula set out in the agreement or to provide for an interest rate cap or floor. A municipality with outstanding obligations bearing interest at a fixed rate or rates may agree to pay sums equal to interest at a variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the bank or dealer to pay sums equal to interest on a like amount at a fixed rate or rates set out in the agreement. The agreement to pay the bank or dealer counterparty is not an obligation of the municipality as defined in section 475.51, subdivision 3. For purposes of calculation of a debt service levy, determination of a rate of interest on a special assessment or other calculation based on the rate of interest on an obligation, a municipality which has entered into an interest rate swap agreement described in this subdivision may determine to treat the amount or rate of interest on the obligation as the net rate or amount of interest payable after giving effect to the swap agreement. Subject to any applicable bonds bond covenants, any payments required to be made by the municipality under the swap agreement may be made from sums secured the municipality may pledge to the payment of amounts due or to become due under the swap agreement, including termination payments, sources of payment pledged or available to pay debt service on the obligations with respect to which the swap agreement was made or from any other available source of the municipality. A municipality may issue obligations under section 475.67 to provide for any payment, including a termination payment, due or to become due under a swap agreement.

Sec. 18. Minnesota Statutes 1992, section 475.66, subdivision 1, is amended to read:

Subdivision 1. All debt service funds shall be deposited and secured as provided in chapter 118, except for amounts invested as authorized in this section, and may be deposited in interest-bearing accounts, and such deposits may be evidenced by certificates of deposit with fixed maturities. Sufficient cash for payment of principal, interest, and redemption premiums when due with respect to the obligations for which any debt service fund is created shall be provided by crediting to the fund the collections of tax, special assessment, or other revenues appropriated for that purpose, and depositing all such receipts in a depository bank or banks duly qualified according to law or investing and reinvesting such receipts in securities authorized in this section. Time deposits shall be withdrawable and certificates of deposit and investments shall mature and shall bear interest payable at times and in amounts which, in the judgment of the governing body or its treasurer or other officer or committee to which it has delegated investment decisions, will provide cash at the times and in the amounts required for the purposes of the debt service fund, provided however, that the governing body may authorize the purchase

of longer term investments subject to an agreement to repurchase such investments at times and prices sufficient to yield the amounts estimated to be so required, *provided that the exclusion as investments of mortgage-backed securities that are defined as high risk under subdivision 5 does not apply to repurchase agreements if the margin requirement under the repurchase agreement is 101 percent.* Repurchase agreements may be entered into with

- (1) a bank qualified as depository of money held in the debt service fund;
- (2) any national or state bank in the United States which is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the federal reserve bank of New York; or
- (4) a securities broker-dealer having its principal executive office in Minnesota, licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt.

Sec. 19. [EFFECTIVE DATE.]

Section 2 is effective for claims submitted by a claimant agency after June 30, 1994. Section 3 is effective for taxes levied in 1994, payable in 1995, and subsequent years. The remainder of this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; allowing school districts to make and levy for certain contract or lease purchases; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 383.06, subdivision 2; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.015, subdivision 4; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5; 471.562, subdivision 3, and by adding a subdivision; 475.53, subdivision 5; 475.54, subdivision 16; and 475.66, subdivision 1; Minnesota Statutes 1993 Supplement, sections 124.91, subdivision 3; 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469."

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

House Conferees: (Signed) Ann H. Rest, Ron Abrams, Bob Milbert

Senate Conferees: (Signed) Lawrence J. Pogemiller, Ember D. Reichgott Junge, William V. Belanger, Jr.

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3193 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. 3193 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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam 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 the passage by the House of the following House File, herewith transmitted: H.F. No. 3041.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 3, 1994

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 3041: A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

Mr. Moe, R.D. moved that H.F. No. 3041 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

S.F. No. 2429 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2429

A bill for an act relating to natural resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; purchase of archery deer licenses after the firearms season opens; administration of contraceptive chemicals to wild animals; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; modifying restrictions on operation of snowmobiles by minors; providing for free small game licenses for disabled veterans; undesirable exotic aquatic plants and wild animals; Eurasian wild pigs; clarifying the requirement to wear blaze orange clothing during deer season; allowing local road authorities to remove beaver dams and lodges near public roads; allowing released game birds to be recaptured without a license; allowing use of retractable broadhead arrows in taking big game; defining tip-up to include certain mechanical devices for hooking fish; allowing nonresidents to take rough fish by harpooning; requiring the department of natural resources to share in the expense of partition fences; allowing the taking of two deer in designated counties during the 1994 and 1995 hunting seasons; abolishing the nonresident bear guide license; amending Minnesota Statutes 1992, sections 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.9691; 86B.401, subdivision 11; 97A.015, subdivisions 24, 45, and 52; 97A.105, subdivision 6; 97A.115, subdivision 2; 97A.441, by adding a subdivision; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.501, by adding a subdivision; 97B.031, subdivision 2; 97B.211, subdivision 2; 97B.601, subdivision 3; 97B.605; 97B.631; 97B.655, subdivision 1; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97C.321, subdivision 2; and 344.03, subdivision 1; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 84.872; 84.9692, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97B.041; 97B.071; and 97B.711, subdivision 2; Laws 1993, chapters 129, section 4, subdivision 4; and 273, section 1; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

May 3, 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. 2429, 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. 2429 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I**NATURAL RESOURCES**

Section 1. Minnesota Statutes 1992, section 18.317, subdivision 1, is amended to read:

18.317 [~~WATER TRANSMITTED HARMFUL EXOTIC SPECIES UNDESIRABLE EXOTIC AQUATIC PLANTS OR WILD ANIMALS.~~]

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescons, zebra mussels, or ~~other water-transmitted harmful exotic species undesirable exotic aquatic plants or wild animals~~ identified by the commissioner of natural resources on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

Sec. 2. Minnesota Statutes 1992, section 18.317, subdivision 1a, is amended to read:

Subd. 1a. [PLACEMENT PROHIBITED.] A person may not intentionally place ~~ecologically harmful exotic species undesirable exotic aquatic plants or wild animals~~, as defined in section 84.967, in public waters within the state.

Sec. 3. Minnesota Statutes 1992, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescons, or ~~other water-transmitted harmful exotic species undesirable exotic aquatic plants or wild animals~~ identified by the commissioner of natural resources for disposal as part of a harvest or control activity *conducted under a permit or as specified by the commissioner.*

Sec. 4. Minnesota Statutes 1992, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL SPECIES PROHIBITED.] (a) A person may not place a trailer or launch a watercraft ~~with~~ *into waters of the state if the trailer or watercraft has attached to it* Eurasian or Northern water milfoil, zebra mussels, or ~~other water-transmitted harmful exotic species undesirable exotic aquatic plants or wild animals~~ identified by the commissioner of natural resources ~~attached into waters of the state~~. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, zebra mussels, or ~~other water-transmitted harmful exotic species undesirable exotic aquatic plants or wild animals~~ identified by the commissioner of natural resources from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Sec. 5. Minnesota Statutes 1993 Supplement, section 18.317, subdivision 3a, is amended to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] ~~Li-~~ *icensed* Watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or ~~other water-transmitted exotic harmful species undesirable exotic aquatic plants or wild animals~~ identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a

minimum of 10,000 hours by personnel authorized by the commissioner of natural resources. Beginning in calendar year 1994, a minimum of 20,000 hours of random inspections must be conducted per year.

Sec. 6. Minnesota Statutes 1992, section 18.317, subdivision 4, is amended to read:

Subd. 4. [ENFORCEMENT.] This section may be enforced by conservation officers under sections 97A.205 and, 97A.211, and 97A.221, *subdivision 1, paragraph (a), clause (1), and by other licensed peace officers.*

Sec. 7. Minnesota Statutes 1992, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1, 1a, 3, or 3a is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil, *zebra mussels, or other undesirable exotic aquatic plants or wild animals* from a trailer or watercraft is guilty of a misdemeanor.

Sec. 8. Minnesota Statutes 1993 Supplement, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural or aquatic pest control applications:

(1) for hire without a structural pest control license or, for an aquatic pest control application, an aquatic pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations or, for an aquatic pest control application, a commercial aquatic applicator.

(b) A structural or aquatic pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

(c) *Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:*

(1) *fur-bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and*

(2) *skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.*

Sec. 9. Minnesota Statutes 1993 Supplement, section 84.872, is amended to read:

84.872 [YOUTHFUL SNOWMOBILE OPERATORS; PROHIBITIONS.]

Subdivision 1. [RESTRICTIONS ON OPERATION.] Notwithstanding anything in section 84.87 to the contrary, no person under 14 years of age shall make a direct crossing of a trunk, county state-aid, or county highway as the operator of a snowmobile, or operate a snowmobile upon a street or highway within a municipality. A person 14 years of age or older, but less than 18 years of age, may make a direct crossing of a trunk, county state-aid, or county

highway only if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner or a valid motor vehicle operator's license issued by the commissioner of public safety or the drivers license authority of another state. No person under the age of 14 years shall operate a snowmobile on any public land or water ~~under the jurisdiction of the commissioner or grant-in-aid trail~~ unless accompanied by one of the following listed persons on the same or an accompanying snowmobile, or on a device towed by the same or an accompanying snowmobile: the person's parent, legal guardian, or other person 18 years of age or older. However, a person 12 years of age or older may operate a snowmobile on public lands and waters ~~under the jurisdiction of the commissioner or a grant-in-aid trail~~ if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner.

Subd. 2. [OWNER'S DUTIES.] It is unlawful for any person who is the owner or in lawful control of a snowmobile to permit the snowmobile to be operated contrary to the provisions of this section.

Subd. 3. [REPORTING CONVICTIONS; SUSPENSIONS.] When the judge of a juvenile court, or any of its duly authorized agents, shall determine that any person, while less than 18 years of age, has violated the provisions of sections 84.81 to 84.88, or any other state or local law or ordinance regulating the operation of snowmobiles, the judge, or duly authorized agent, shall immediately report ~~such~~ *this* determination to the commissioner and may recommend the suspension of the person's snowmobile safety certificate. The commissioner is hereby authorized to suspend the certificate, without a hearing.

Sec. 10. Minnesota Statutes 1992, section 84.966, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purpose of this section, "purple loosestrife" means *lythrum salicaria*, *lythrum virgatum*, or combinations thereof.

Sec. 11. Minnesota Statutes 1992, section 84.967, is amended to read:

84.967 [ECOLOGICALLY HARMFUL SPECIES; ~~DEFINITION~~ DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 84.967 to ~~84.969~~ 84.9692, the following terms have the meanings given them.

Subd. 2. [ECOLOGICALLY HARMFUL EXOTIC SPECIES.] "Ecologically harmful exotic species" means nonnative aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause or may cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Subd. 3. [LIMITED INFESTATION OF EURASIAN WATER MILFOIL.] "Limited infestation of Eurasian water milfoil" or "limited infestation" means an infestation of Eurasian water milfoil that occupies less than 20 percent of the littoral area of a water body up to a maximum of 75 acres, excluding water bodies where mechanical harvesting is used to manage Eurasian water milfoil or where no Eurasian water milfoil control is planned.

Sec. 12. Minnesota Statutes 1992, section 84.968, subdivision 2, is amended to read:

Subd. 2. [REPORT.] The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species; and

(6) an estimate of future management needs; and

~~(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 18.317, subdivision 1.~~

Sec. 13. Minnesota Statutes 1992, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

(c) A violation of a rule adopted under this section is a misdemeanor.

Sec. 14. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] After appropriate training, conservation officers, peace officers, and other staff designated by the commissioner may issue warnings or citations to persons who:

(1) unlawfully transport ecologically harmful exotic species on a public road;

(2) place a trailer or launch a watercraft with ecologically harmful species attached into waters of the state;

(3) operate a watercraft in a *marked* Eurasian water milfoil *limited* infestation area; or

(4) damage, remove, or sink a buoy marking a Eurasian water milfoil infestation area.

Sec. 15. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 2, is amended to read:

Subd. 2. [PENALTY AMOUNT.] A citation issued under this section may impose up to the following penalty amounts:

(1) \$50 for transporting visible Eurasian water milfoil on a public road in each of the following locations:

(i) the exterior of the watercraft below the gunwales including the propulsion system;

(ii) any surface of a watercraft trailer;

(iii) any surface of a watercraft interior of the gunwales;

(iv) any water container including live wells, minnow buckets, or coolers which hold water; or

(v) any other area where visible Eurasian water milfoil is found not previously described in items (i) to (iv);

(2) \$150 for transporting visible zebra mussels on a public road;

(3) \$300 for transporting live ruffe or live rusty crayfish on a public road;

(4) for attempting to launch or launching into noninfested waters a watercraft with visible Eurasian water milfoil or adult zebra mussels attached, \$500 for a first offense and \$1,000 for a second or subsequent offense;

(5) \$100 for operating a watercraft in a marked Eurasian water milfoil *limited* infestation area other than as provided by law;

(6) \$150 for intentionally damaging, moving, removing, or sinking a milfoil buoy; or

(7) \$150 for launching or attempting to launch into infested waters a watercraft with visible Eurasian water milfoil or visible zebra mussels attached.

Sec. 16. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of ~~natural resources~~ *agriculture*.

(c) "Restricted species" means Eurasian wild pigs and their hybrids (*Sus scrofa* subspecies and *Sus scrofa* hybrids), excluding domestic hogs (*S. scrofa domestica*).

(d) "Release" means an intentional introduction or escape of a species from the control of the owner or responsible party.

Sec. 17. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 8, is amended to read:

Subd. 8. [CONTAINMENT.] The commissioner, *in consultation with the commissioner of natural resources*, shall develop criteria for approved containment measures for restricted species with the assistance of producers of restricted species.

Sec. 18. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 10, is amended to read:

Subd. 10. [FEE.] The commissioner shall impose a fee for permits in an amount sufficient to cover the costs of issuing the permits and for facility inspections. The fee may not exceed \$50. Fee receipts must be deposited in the state treasury and credited to the ~~game and fish special revenue~~ fund and are appropriated to the commissioner for the purposes of this section.

Sec. 19. Minnesota Statutes 1992, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [SUSPENSION FOR NOT REMOVING ~~EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL UNDESIRABLE EXOTIC SPECIES.~~] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an inspection order of a conservation officer or other licensed peace officer or an order to remove Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, zebra mussels, or other ~~ecologically harmful undesirable exotic aquatic plant and wild animal~~ species identified by the commissioner from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 20. Minnesota Statutes 1992, section 97A.015, subdivision 24, is amended to read:

Subd. 24. [GAME BIRDS.] "Game birds" means migratory waterfowl, pheasant, ruffed grouse, sharp-tailed grouse, Canada spruce grouse, prairie chickens, ~~chukar partridge~~, gray partridge, ~~bob-white~~ quail, turkeys, coots, gallinules, sora and Virginia rails, American woodcock, and common snipe.

Sec. 21. Minnesota Statutes 1992, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, starling, magpie, cormorant, common pigeon, ~~chukar partridge, quail other than bob-white quail,~~ and great horned owl.

Sec. 22. Minnesota Statutes 1992, section 97A.115, subdivision 2, is amended to read:

Subd. 2. [GAME SPECIES AVAILABLE.] ~~Game~~ Species that may be released and hunted in a licensed shooting preserve must be specified in the license and is limited to *unprotected birds*, adult pheasant, and ~~bob-white quail, and chukar partridge~~ for private shooting preserves and adult pheasant, ~~bob-white quail, chukar partridge,~~ turkey, mallard duck, black duck, and other species designated by the commissioner for commercial shooting preserves. These game birds must be pen hatched and raised.

Sec. 23. Minnesota Statutes 1992, section 97A.441, is amended by adding a subdivision to read:

Subd. 6a. [TAKING SMALL GAME; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a license to take small game to a resident who is a veteran, as defined in section 197.447, and who has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence.

Sec. 24. Minnesota Statutes 1992, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56;
- (2) to take deer with firearms, \$110;
- (3) to take deer by archery, \$110;
- (4) to take bear, \$165;
- (5) to take turkey, \$56; and
- (6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50; and
- (7) to take antlered deer in more than one zone, \$220.

Sec. 25. Minnesota Statutes 1992, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] (a) The following licenses may not be issued after the day before the opening of the related firearms season:

(1) to take deer with firearms ~~or by archery~~, except a license to take a ~~second~~ more than one deer under section 97B.301, subdivision 4;

(2) to guide bear hunters; and

(3) to guide turkey hunters.

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or fox may not be issued after the fifth day of the open season.

Sec. 26. Minnesota Statutes 1992, section 97A.501, is amended by adding a subdivision to read:

Subd. 3. [CONTRACEPTIVE CHEMICALS.] (a) A person may not administer contraceptive chemicals to noncaptive wild animals without a permit issued by the commissioner.

(b) The commissioner shall adopt rules establishing standards and guidelines for the administration of contraceptive chemicals to noncaptive wild animals. The rules may specify chemical delivery methods and devices and monitoring requirements.

Sec. 27. Minnesota Statutes 1993 Supplement, section 97A.531, subdivision 6, as added by Laws 1994, chapter 479, is amended to read:

Subd. 6. [BORDER WATER ENTERPRISE AGREEMENTS.] (a) The commissioner of natural resources in consultation with the commissioner of trade and economic development, in coordination with the federal government, may negotiate and, with the approval of the legislature, enter into agreements with authorized representatives of the province of Ontario and the "first nation" governments in Canada to provide for joint resource management, promotion of tourism, or economic development with respect to lakes

through which the Ontario-Minnesota border runs. When negotiating with Ontario officials on game fish limits in Minnesota-Ontario border waters, the commissioner may not agree to more restrictive limits than are allowed in Ontario, unless the commissioner determines that more restrictive limits are necessary to protect Minnesota's fishery resource.

(b) Possession of fish *taken by angling and imported* into the state from Ontario by a Minnesota resident *angler* may not number more than the amount of the most restrictive Ontario possession limit by species placed on Minnesota-based anglers fishing in Ontario border waters unless Ontario is equally restrictive on Ontario-based anglers on the same border waters. This paragraph does not apply to fish taken from Ontario border waters on which limits on the number of fish that may be taken are the same for Minnesota-based anglers and Ontario-based anglers.

(c) Nothing in this section precludes the possession, importation into, or transportation in the state of one trophy fish of each species for the purpose of having the fish preserved by taxidermy, if the fish is transported whole.

(d) Paragraph (b) does not apply if the governor issues a waiver as provided in this paragraph. The governor may issue a waiver of the requirements of paragraph (b) and subdivisions 2, 3, and 4 if after negotiations with authorized representatives of Ontario, the governor determines that the waiver is in the best interest of the citizens of the state.

Sec. 28. Minnesota Statutes 1992, section 97B.035, is amended by adding a subdivision to read:

Subd. 4. [AUTHORITY OF COMMISSIONER.] The commissioner may not impose restrictions on the possession, transportation, or use of archery equipment except as specifically authorized by law.

Sec. 29. Minnesota Statutes 1993 Supplement, section 97B.041, is amended to read:

97B.041 [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

A person may not possess a firearm or ammunition outdoors during the period beginning the fifth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) an unloaded firearm that is in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and shells containing No. 4 buckshot or smaller diameter lead shot or steel shot;

(4) a handgun or rifle and only short, long, and long rifle cartridges that are caliber of .22 inches;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

This section does not apply during an open firearms season in an area where deer may be taken only by muzzleloader, except that muzzleloading firearms lawful for the taking of deer may be possessed only by persons with a valid license to take deer by muzzleloader during that season.

Sec. 30. Minnesota Statutes 1993 Supplement, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

(a) Except as provided in paragraph (b), a person may not hunt or trap during the open season in a zone or area where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary shooting location.

This section is effective for the 1994 firearms deer season and subsequent firearms deer seasons. The commissioner of natural resources shall, by way of public service announcements and other means, inform the public of the provisions of this section.

(b) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) would violate the Religious Freedom Restoration Act of 1993, public law number 103-141.

Sec. 31. Minnesota Statutes 1992, section 97B.075, is amended to read:

97B.075 [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and fox, with a firearm or by archery between the evening and morning times established by commissioner's rule, or by archery from one-half hour after sunset until one-half hour before sunrise.

Sec. 32. Minnesota Statutes 1992, section 97B.211, subdivision 2, is amended to read:

Subd. 2. [ARROWHEAD REQUIREMENTS.] Arrowheads used for taking big game must be sharp, have a minimum of two metal cutting edges, be of a barbed broadhead design, and must have a diameter of at least seven-eighths inch. *The commissioner may allow retractable broadhead arrowheads that meet the other requirements of this subdivision.*

Sec. 33. [97B.667] [REMOVAL OF BEAVER DAMS AND LODGES BY ROAD AUTHORITIES.]

When a drainage watercourse is impaired by a beaver dam and the water damages or threatens to damage a public road, the road authority, as defined in section 160.02, subdivision 9, may remove the impairment and any associated beaver lodge within 300 feet of the road, if the commissioner approves.

Sec. 34. Minnesota Statutes 1992, section 97B.701, is amended by adding a subdivision to read:

Subd. 3. [RECAPTURE OF RELEASED BOB-WHITE QUAIL.] Released bob-white quail may be recaptured without a license. In Houston, Fillmore, and Winona counties, this subdivision applies only to birds that are banded or otherwise marked.

Sec. 35. Minnesota Statutes 1992, section 97B.711, subdivision 1, is amended to read:

Subdivision 1. [SEASONS FOR CERTAIN UPLAND GAME BIRDS.] (a) The commissioner may, by rule, prescribe an open season in designated areas between September 16 and December 31 for:

- (1) pheasant;
- (2) ruffed grouse;
- (3) sharp tailed grouse;
- (4) Canada spruce grouse;
- (5) prairie chicken;
- (6) gray partridge;
- (7) ~~chukar~~ partridge;
- ~~(8)~~ bob-white quail; and
- ~~(9)~~ (8) turkey.

(b) The commissioner may by rule prescribe an open season for turkey in the spring.

Sec. 36. Minnesota Statutes 1993 Supplement, section 97B.711, subdivision 2, is amended to read:

Subd. 2. [DAILY AND POSSESSION LIMITS FOR CERTAIN UPLAND GAME BIRDS.] (a) A person may not take more than five in one day or possess more than ten of each of the following:

- (1) pheasant;
- (2) ruffed grouse;
- (3) sharp tailed grouse;
- (4) Canada spruce grouse;
- (5) prairie chicken; and
- (6) gray partridge; and
- (7) ~~chukar~~ partridge.

(b) A person may not take more than ten ~~quail~~ in one day or possess more than 15 bob-white quail.

(c) The commissioner may, by rule, reduce the daily and possession limits established in this subdivision.

Sec. 37. Minnesota Statutes 1992, section 97B.905, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENT.]

(a) A person may not buy or sell raw furs without a fur buying and selling license, except:

(1) a taxidermist licensed under section 97A.475, subdivision 19, and a fur manufacturer are not required to have a license to buy raw furs from a person with fur buying and selling licenses; and

(2) a person lawfully entitled to take furbearing animals is not required to have a license to sell raw furs to a person with a fur buying and selling license.

(b) An employee, partner, or officer buying or selling only for a raw fur dealer licensee at an established place of business licensed under section 97A.475, subdivision 21, clause (a), may obtain a supplemental license under section 97A.475, subdivision 21, clause (b).

Sec. 38. Minnesota Statutes 1992, section 97B.931, is amended to read:

97B.931 [TENDING TRAPS RESTRICTED.]

A person may not tend a trap set for wild animals between ~~7:00~~ 10:00 p.m. and 5:00 a.m. Between 5:00 a.m. and ~~7:00~~ 10:00 p.m. a person on foot may use a portable artificial light to tend traps. While using a light in the field, the person may not possess or use a firearm other than a handgun of .22 caliber.

Sec. 39. Minnesota Statutes 1992, section 97C.325, is amended to read:

97C.325 [PROHIBITED METHODS OF TAKING FISH.]

(a) Except as specifically authorized, a person may not take fish with:

(1) explosives, chemicals, drugs, poisons, lime, medicated bait, fish berries, or other similar substances;

(2) substances or devices that kill, stun, or affect the nervous system of fish;

(3) nets, traps, trot lines, or snares; or

(4) spring devices that impale, hook, or capture fish.

(b) If a person possesses a substance or device listed in paragraph (a) on waters, shores, or islands, it is presumptive evidence that the person is in violation of this section.

(c) *The commissioner may, by rule, allow the use of a nonmotorized device with a recoil mechanism to take fish through the ice.*

Sec. 40. Minnesota Statutes 1992, section 344.03, subdivision 1, is amended to read:

Subdivision 1. [ADJOINING OWNERS.] If all or a part of adjoining Minnesota land is improved and used, and one or both of the owners of the land desires the land to be partly or totally fenced, the land owners or occupants shall build and maintain a partition fence between their lands in equal shares. *The requirement in this section and the procedures in this chapter apply to the department of natural resources when it owns land adjoining privately owned land subject to this section and chapter and the landowner desires the land permanently fenced for the purpose of restraining livestock.*

Sec. 41. Laws 1993, chapter 273, section 1, is amended to read:

Section 1. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.]

Notwithstanding Minnesota Statutes, section 97B.301, subdivision 2, during the 1993 and 1994, 1995, and 1996 hunting seasons in Kittleson, Lake of the Woods, Marshall, Pennington, and Roseau counties a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license.

Sec. 42. Laws 1993, chapter 129, section 4, subdivision 4, is amended to read:

Subd. 4. [REPORT.] The task force shall submit a written report containing its recommendations and findings to the legislature by January 1, 1994 1995.

Sec. 43. [EXPANDED SEASON FOR RACCOON AND RED FOX; NONRESIDENTS; REPORT.]

(a) *Notwithstanding Minnesota Statutes, sections 97B.605 and 97B.621, subdivision 1, until June 1, 1996, the open season for taking raccoon and red fox is continuous and a person may possess raccoon and red fox in any quantity.*

(b) *Notwithstanding Minnesota Statutes, sections 97A.475, subdivision 3, clause (6), and 97B.601, subdivision 3, until June 1, 1996, a nonresident may take raccoon and red fox with a license issued under Minnesota Statutes, section 97A.475, subdivision 3, clause (1).*

(c) *By January 15, 1996, the commissioner of natural resources shall report to the legislative committees with jurisdiction over natural resources on the effects of paragraphs (a) and (b), including effects on the raccoon and red fox populations in the state, effects on populations in the state of protected species on which raccoon and red fox prey, and other effects. The report must include any recommendations the commissioner has for changes in the provisions of the game and fish laws relating to raccoon and red fox.*

Sec. 44. [SHOOTING HOURS AND RESTRICTIONS RELATING TO FIREARMS AND ARCHERY EQUIPMENT; REPORT.]

The commissioner of natural resources shall seek public input and comment on the issues of shooting hours and the possession, transportation, and use of firearms and archery equipment. By April 1, 1995, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.

Sec. 45. [ENFORCEMENT OF LAWS RELATED TO BUYING AND SELLING FISH; REPORT.]

By January 15, 1995, the commissioner of natural resources shall report to the environment and natural resources committees of the legislature with recommendations for legislation to improve enforcement of Minnesota Statutes, section 97C.391, including record keeping requirements, enhanced remedies, and inspection authorities.

Sec. 46. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber section 84.9695 as section 17.457.

Sec. 47. [REPEALER.]

Minnesota Statutes 1992, section 97A.475, subdivision 17, is repealed.

Sec. 48. [EFFECTIVE DATE.]

Sections 1 to 7, 9 to 27, 29, 30, 32 to 36, and 40 to 47, are effective the day following final enactment.

Section 39 is effective January 1, 1995.

Sections 28 and 31 are effective July 1, 1995.

ARTICLE 2**GOOD SAMARITANS****Section 1. [604A.01] [GOOD SAMARITAN LAW.]**

Subdivision 1. [DUTY TO ASSIST.] A person at the scene of an emergency who knows that another person is exposed to or has suffered grave physical harm shall, to the extent that the person can do so without danger or peril to self or others, give reasonable assistance to the exposed person. Reasonable assistance may include obtaining or attempting to obtain aid from law enforcement or medical personnel. A person who violates this subdivision is guilty of a petty misdemeanor.

Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.] (a) A person who, without compensation or the expectation of compensation, renders emergency care, advice, or assistance at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care, advice, or assistance, unless the person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance. This subdivision does not apply to a person rendering emergency care, advice, or assistance during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering the care, advice, or assistance.

(b) For the purposes of this section, the scene of an emergency is an area outside the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 148, 150A, or 153. The scene of an emergency includes areas threatened by or exposed to spillage, seepage, fire, explosion, or other release of hazardous materials, and includes ski areas and trails.

(c) For the purposes of this section, "person" includes a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, volunteer first provider of emergency medical services, volunteer ski patroller, and any partnership, corporation, association, or other entity.

(d) For the purposes of this section, "compensation" does not include payments, reimbursement for expenses, or pension benefits paid to members of volunteer organizations.

Sec. 2. [604A.02] [AID TO SHOOTING VICTIM.]

A person who is subject to the duty imposed by section 609.662, subdivision 3, who, without compensation or expectation of compensation, renders assistance to the injured person, is not liable for any civil damages as a result

of acts or omissions by that person in rendering the assistance unless that person acts in a willful and wanton or reckless manner in rendering the assistance. This section does not apply to a person who renders the assistance during the course of regular employment and receives compensation or expects to receive compensation for rendering the assistance.

Sec. 3. [604A.03] [MISCELLANEOUS GOOD SAMARITAN LAWS.]

Certain persons who provide assistance at the scene of a hazardous materials response incident are not liable for damages to the extent provided in section 299A.51, subdivision 3.

ARTICLE 3

VOLUNTEER AND CHARITABLE ACTIVITIES

Section 1. [604A.10] [LIABILITY OF FOOD DONORS.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, that may not be readily marketable due to appearance, freshness, grade, surplus, or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.

(c) "Food bank" means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purpose of reducing hunger and meeting nutritional needs.

(d) "Food facility" means:

(1) a restaurant, food establishment, vehicle, vending machine, produce stand, temporary food facility, satellite food distribution facility, stationary mobile food preparation unit, or mobile food preparation unit;

(2) a place used in conjunction with the operations described in clause (1), including, but not limited to, storage facilities for food-related utensils, equipment, and materials; or

(3) a farmers' market.

(e) "Nonprofit charitable organization" means an organization that is incorporated under the Minnesota nonprofit corporation act and is operating for charitable purposes.

Subd. 2. [DONATION; DISTRESSED FOOD.] *A food manufacturer, distributor, processor, or a person who donates or collects distressed food to or for a nonprofit charitable organization for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, is not liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food manufacturer, processor, distributor, or person.*

Subd. 3. [DISTRIBUTION.] *A food bank or nonprofit charitable organization that in good faith collects or receives and distributes to the elderly or needy, at no charge, food that is fit for human consumption at the time it is*

distributed, is not liable for any injury, including but not limited to injury resulting from the ingesting of the food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food bank or nonprofit charitable organization.

Subd. 4. [OTHER FOOD DONATION.] A food facility that donates, to a food bank or other nonprofit charitable organization, food that is fit for human consumption at the time of donation and distributed by the food bank or nonprofit charitable organization to the elderly or needy at no charge, is not liable for any injury, including, but not limited to, liability resulting from ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food facility.

Subd. 5. [AUTHORITY NOT RESTRICTED.] This section does not restrict the authority of the commissioner of agriculture to regulate or ban the use or consumption of distressed food donated, collected, or received for charitable purposes.

Sec. 2. [604A.11] [VOLUNTEER ATHLETIC COACHES AND OFFICIALS; PHYSICIANS AND TRAINERS; IMMUNITY FROM LIABILITY.]

Subdivision 1. [GRANT.] (a) No individual who provides services or assistance without compensation as an athletic coach, manager, official, physician, or certified athletic trainer for a sports team that is organized or performing under a nonprofit charter or as a physician or certified athletic trainer for a sports team or athletic event sponsored by a public or private educational institution, and no community-based, voluntary nonprofit athletic association, or any volunteer of the nonprofit athletic association, is liable for money damages to a player, participant, or spectator as a result of an individual's acts or omissions in the providing of that service or assistance either at the scene of the event or, in the case of a physician or athletic trainer, while the player, participant, or spectator is being transported to a hospital, physician's office, or other medical facility.

(b) This section applies to organized sports competitions and practice and instruction in that sport.

(c) For purposes of this section, "compensation" does not include reimbursement for expenses.

Subd. 2. [LIMITATION.] Subdivision 1 does not apply:

(1) to the extent that the acts or omissions are covered under an insurance policy issued to the entity for whom the coach, manager, official, physician, or certified athletic trainer serves;

(2) if the individual acts in a willful and wanton or reckless manner in providing the services or assistance;

(3) if the acts or omissions arise out of the operation, maintenance, or use of a motor vehicle;

(4) to an athletic coach, manager, or official who provides services or assistance as part of a public or private educational institution's athletic program;

(5) to a public or private educational institution for which a physician or certified athletic trainer provides services; or

(6) if the individual acts in violation of federal, state, or local law.

The limitation in clause (1) constitutes a waiver of the defense of immunity to the extent of the liability stated in the policy, but has no effect on the liability of the individual beyond the coverage provided. The limitation in clause (5) does not affect the limitations on liability of a public educational institution under section 3.736 or chapter 466.

Sec. 3. [604A.12] [LIVESTOCK ACTIVITIES; IMMUNITY FROM LIABILITY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Inherent risks of livestock activities" means dangers or conditions that are an integral part of livestock activities, including:

(1) the propensity of livestock to behave in ways that may result in death or injury to persons on or around them, such as kicking, biting, or bucking;

(2) the unpredictability of livestock's reaction to things like sound, sudden movement, unfamiliar objects, persons, or other animals;

(3) natural hazards such as surface or subsurface conditions; or

(4) collisions with other livestock or objects.

(c) "Livestock" means cattle, sheep, swine, horses, ponies, donkeys, mules, hinnies, goats, buffalo, llamas, or poultry.

(d) "Livestock activity" means an activity involving the maintenance or use of livestock, regardless of whether the activity is open to the general public, provided the activity is not performed for profit. Livestock activity includes:

(1) livestock production;

(2) loading, unloading, or transporting livestock;

(3) livestock shows, fairs, competitions, performances, races, rodeos, or parades;

(4) livestock training or teaching activities;

(5) boarding, shoeing, or grooming livestock; or

(6) riding or inspecting livestock or livestock equipment.

(e) "Livestock activity sponsor" means a person who sponsors, organizes, or provides the facilities for a livestock activity that is open to the general public.

(f) "Participant" means a person who directly and intentionally engages in a livestock activity. "Participant" does not include a spectator who is in an authorized area.

Subd. 2. [IMMUNITY FROM LIABILITY.] Except as provided in subdivision 3, a nonprofit corporation, association, or organization, or a person or other entity donating services, livestock, facilities, or equipment for the use of a nonprofit corporation, association, or organization, is not liable for the death of or an injury to a participant resulting from the inherent risks of livestock activities.

Subd. 3. [EXCEPTIONS.] *Subdivision 2 does not apply if any of the following exist:*

(1) *the person provided livestock for the participant and failed to make reasonable efforts to determine the ability of the participant to safely engage in the livestock activity or to determine the ability of the participant to safely manage the particular livestock based on the participant's representations of the participant's ability;*

(2) *the person provided equipment or tack for the livestock and knew or should have known that it was faulty to the extent that it caused the injury or death;*

(3) *the person owns or leases the land upon which a participant was injured or died because of a man-made dangerous latent condition and failed to use reasonable care to protect the participant;*

(4) *the person is a livestock activity sponsor and fails to comply with the notice requirement of subdivision 4; or*

(5) *the act or omission of the person was willful or negligent.*

Subd. 4. [POSTING NOTICE.] *A livestock activity sponsor shall post plainly visible signs at one or more prominent locations in the premises where the livestock activity takes place that include a warning of the inherent risks of livestock activity and the limitation of liability under this section.*

Sec. 4. [604A.13] [MISCELLANEOUS VOLUNTEER AND CHARITABLE ACTIVITIES.]

An individual and an individual's estate are not liable for an anatomical gift as provided in section 525.9221, paragraph (d).

Sec. 5. [EFFECTIVE DATE; APPLICATION.]

Section 3 is effective August 1, 1994, and applies to causes of action arising on or after that date.

ARTICLE 4

ACTIVITIES INVOLVING A PUBLIC BENEFIT OR FUNCTION

Section 1. [604A.20] [POLICY.]

It is the policy of this state, in furtherance of the public health and welfare, to encourage and promote the use of privately owned lands and waters by the public for beneficial recreational purposes, and the provisions of sections 604A.20 to 604A.27 are enacted to that end.

Sec. 2. [604A.21] [RECREATIONAL LAND USE; DEFINITIONS.]

Subdivision 1. [GENERAL.] *For the purposes of sections 604A.20 to 604A.27, the terms defined in this section have the meanings given them, except where the context clearly indicates otherwise.*

Subd. 2. [CHARGE.] *"Charge" means any admission price asked or charged for services, entertainment, recreational use, or other activity or the offering of products for sale to the recreational user by a commercial for profit enterprise directly related to the use of the land.*

Subd. 3. [LAND.] "Land" means privately owned or leased land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the land.

Subd. 4. [OWNER.] "Owner" means the possessor of a fee interest or a life estate, tenant, lessee, occupant, or person in control of the land.

Subd. 5. [RECREATIONAL PURPOSE.] "Recreational purpose" includes, but is not limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking; bicycling; horseback riding; firewood gathering; pleasure driving, including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across land in any manner, including recreational trail use; nature study; water skiing; winter sports; and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Subd. 6. [RECREATIONAL TRAIL USE.] "Recreational trail use" means use on or about a trail, including but not limited to, hunting; trapping; fishing; hiking; bicycling; skiing; horseback riding; snowmobile riding; and motorized trail riding.

Sec. 3. [604A.22] [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

Except as provided in section 604A.25, an owner who gives written or oral permission for the use of the land for recreational purposes without charge:

(1) owes no duty of care to render or maintain the land safe for entry or use by other persons for recreational purpose;

(2) owes no duty to warn those persons of any dangerous condition on the land, whether patent or latent;

(3) owes no duty of care toward those persons except to refrain from willfully taking action to cause injury; and

(4) owes no duty to curtail use of the land during its use for recreational purpose.

Sec. 4. [604A.23] [OWNER'S LIABILITY.]

An owner who gives written or oral permission for the use of the land for recreational purposes without charge does not by that action:

(1) extend any assurance that the land is safe for any purpose;

(2) confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or

(3) assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.

Sec. 5. [604A.24] [LIABILITY; LEASED LAND, WATER FILLED MINE PITS.]

Unless otherwise agreed in writing, sections 604A.22 and 604A.23 also apply to the duties and liability of an owner of the following land:

(1) land leased to the state or any political subdivision for recreational purpose; or

(2) idled or abandoned, water filled mine pits whose pit walls may slump or cave, and to which water the public has access from a water access site operated by a public entity.

Sec. 6. [604A.25] [OWNER'S LIABILITY; NOT LIMITED.]

Nothing in sections 604A.20 to 604A.27 limits liability that otherwise exists:

(1) for conduct which, at law, entitles a trespasser to maintain an action and obtain relief for the conduct complained of; or

(2) for injury suffered in any case where the owner charges the persons who enter or go on the land for the recreational purpose, except that in the case of land leased to the state or a political subdivision, any consideration received from the state or political subdivision by the owner for the lease is not considered a charge within the meaning of this section.

Except for conduct set forth in section 3, clause (3), a person may not maintain an action and obtain relief at law for conduct referred to by clause (1) if the entry upon the land is incidental to or arises from access granted for the recreational trail use of land dedicated, leased, or permitted by the owners for recreational trail use.

Sec. 7. [604A.26] [LAND USER'S LIABILITY.]

Nothing in sections 604A.20 to 604A.27 relieves any person using the land of another for recreational purpose from any obligation that the person may have in the absence of sections 604A.20 to 604A.27 to exercise care in use of the land and in the person's activities on the land, or from the legal consequences of failure to employ that care.

Sec. 8. [604A.27] [DEDICATION; EASEMENT.]

No dedication of any land in connection with any use by any person for a recreational purpose takes effect in consequence of the exercise of that use for any length of time except as expressly permitted or provided in writing by the owner, nor shall the grant of permission for the use by the owner grant to any person an easement or other property right in the land except as expressly provided in writing by the owner.

Sec. 9. [604A.30] [BREATH ALCOHOL TESTING DEVICE IN LIQUOR ESTABLISHMENTS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Breath alcohol testing device" means a device that tests for alcohol concentration by using a breath sample.

(c) "Licensed premises" has the meaning given in section 340A.101, subdivision 15.

(d) "Liquor licensee" means a person licensed under sections 340A.403 to 340A.407 or 340A.414, and includes an agent or employee of a licensee.

Subd. 2. [IMMUNITY FROM LIABILITY.] (a) Subject to subdivision 3, a liquor licensee who administers or makes available a breath alcohol testing device in the licensed premises is immune from any liability arising out of the result of the test.

(b) Subject to subdivision 3, a designer, manufacturer, distributor, or seller of a breath alcohol testing device is immune from any products liability or other cause of action arising out of the result of a test by the breath alcohol testing device in a licensed premises.

Subd. 3. [IMMUNITY REQUIREMENTS.] Subdivision 2 applies only if:

(1) a conspicuous notice is posted in the licensed premises:

(i) informing patrons of the immunity provisions of subdivision 2 and notifying them that the test is made available solely for their own informal use and information; and

(ii) informing patrons of the alcohol-related driving penalties under sections 169.121 to 169.123, 169.129, and 609.21;

(2) the type of breath alcohol testing device is certified by the commissioner of public safety under subdivision 7; and

(3) the breath alcohol testing device test results are indicated as follows:

(i) the breath alcohol testing device shows a white light and gives a reading of alcohol concentration if alcohol concentration is less than .05;

(ii) the breath alcohol testing device shows a yellow light and gives a reading of alcohol concentration if alcohol concentration is .05 or more but less than .08;

(iii) the breath alcohol testing device shows an orange light and gives a reading of alcohol concentration if alcohol concentration is .08 or more but less than .10, and displays a message that states "You are close to the legal limit and your driving may be impaired"; or

(iv) the breath alcohol testing device shows a red light if alcohol concentration is .10 or greater but does not give a reading of alcohol concentration, and displays a message that states that the person fails the test.

Subd. 4. [EVIDENCE.] Evidence regarding the result of a test by a breath alcohol testing device in a licensed premises is not admissible in any civil or criminal proceeding.

Subd. 5. [DRAMSHOP.] This section does not affect liability under section 340A.801.

Subd. 6. [PREPARATION OF NOTICE.] The commissioner of public safety shall prepare and make available to liquor licensees the notices described in subdivision 3.

Subd. 7. [RULES; CERTIFICATION.] The commissioner of public safety shall adopt any rules reasonably required to implement this section, including performance and maintenance standards for breath alcohol testing devices. The commissioner shall certify breath alcohol testing devices that meet the performance standards. The costs of rulemaking and certification must be borne by the manufacturers of the breath alcohol testing devices.

Sec. 10. [604A.31] [MISCELLANEOUS PUBLIC BENEFIT OR FUNCTION.]

Subdivision 1. [NURSING HOME RECEIVERS.] Certain nursing home receivers are immune from personal liability as provided in section 144A.15, subdivision 4.

Subd. 2. [HEALTH CARE REVIEW ORGANIZATIONS.] Certain persons involved in health care review organization activities are immune from liability as provided in section 145.63.

Subd. 3. [BACKGROUND CHECKS.] Certain persons who issue certificates in conjunction with gun permit background checks are immune from liability as provided in section 624.713, subdivision 1.

Sec. 11. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 8 are effective August 1, 1994, and apply to causes of action arising on or after that date.

ARTICLE 5

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 144.761, subdivision 5, is amended to read:

Subd. 5. [EMERGENCY MEDICAL SERVICES PERSONNEL.] "Emergency medical services personnel" means:

(1) individuals employed to provide prehospital emergency medical services;

(2) persons employed as licensed police officers under section 626.84, subdivision 1, who experience a significant exposure in the performance of their duties;

(3) firefighters, paramedics, emergency medical technicians, licensed nurses, rescue squad personnel, or other individuals who serve as employees or volunteers of an ambulance service as defined by sections 144.801 to 144.8091, who provide prehospital emergency medical services;

(4) crime lab personnel receiving a significant exposure while involved in a criminal investigation;

(5) correctional guards, including security guards at the Minnesota security hospital, employed by the state or a local unit of government who experience a significant exposure to an inmate who is transported to a facility for emergency medical care; and

(6) other persons who render emergency care or assistance at the scene of an emergency, or while an injured person is being transported to receive medical care, and who would qualify for immunity from liability under the good samaritan law, section ~~604.05~~ 604A.01.

Sec. 2. Minnesota Statutes 1992, section 469.091, is amended by adding a subdivision to read:

Subd. 3. [UNPAID OFFICERS, DIRECTORS, AND AGENTS; LIABILITY.] *Section 317A.257 applies to an economic development authority or to a nonprofit corporation exercising the powers of an economic development authority.*

Sec. 3. [REPEALER.]

Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024;

87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5, are repealed."

Delete the title and insert:

"A bill for an act relating to the use of public services and resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; exemptions from pest control licensing; purchase of archery deer licenses after the firearms season opens; limiting the authority of the commissioner of natural resources to regulate archery; administration of contraceptive chemicals to wild animals; possession of firearms in muzzle-loader only deer zones; modifying restrictions on operation of snowmobiles by minors; providing for free small game licenses for disabled veterans; undesirable exotic aquatic plants and wild animals; Eurasian wild pigs; clarifying the requirement to wear blaze orange clothing during deer season; allowing local road authorities to remove beaver dams and lodges near public roads; exemptions from fur buying and selling licensure; extending hours for tending traps; allowing released game birds to be recaptured without a license; allowing use of retractable broadhead arrows in taking big game; authorizing the commissioner of natural resources to allow use of certain mechanical devices for hooking fish; allowing nonresidents to take rough fish by harpooning; requiring the department of natural resources to share in the expense of partition fences; allowing the taking of two deer in designated counties during the 1994 and 1995 hunting seasons; abolishing the nonresident bear guide license; clarifying restrictions on importation of fish imported from Ontario; temporarily modifying provisions relating to raccoon and red fox; requiring reports; consolidating and recodifying statutes providing limitations on private personal injury liability; providing immunity for certain volunteer athletic physicians and trainers; limiting liability for certain injuries arising out of nonprofit livestock activities; modifying provisions dealing with recreational land use liability; providing limitations on liability of officers, directors, and agents of economic development authorities; amending Minnesota Statutes 1992, sections 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.9691; 86B.401, subdivision 11; 97A.015, subdivisions 24 and 52; 97A.115, subdivision 2; 97A.441, by adding a subdivision; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.501, by adding a subdivision; 97B.035, by adding a subdivision; 97B.075; 97B.211, subdivision 2; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97B.905, subdivision 1; 97B.931; 97C.325; 144.761, subdivision 5; 344.03, subdivision 1; and 469.091, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 18B.32, subdivision 1; 84.872; 84.9692, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97A.531, subdivision 6, as added; 97B.041; 97B.071; 97B.711, subdivision 2; Laws 1993, chapters 129, section 4, subdivision 4; and 273, section 1; proposing coding for new law in Minnesota Statutes, chapter 97B; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 97A.475, subdivision 17; 604.05; 604.08; 604.09; and 609.662, subdivision 5."

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

Senate Conferees: (Signed) Bob Lessard, Charles A. Berg, Gary W. Laidig

House Conferees: (Signed) Bob Milbert, Thomas Pugh, Brad Stanius

Mr. Lessard moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2429 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 33 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Day	Kroening	Mondale	Solon
Beckman	Dille	Laidig	Neuville	Stevens
Belanger	Frederickson	Langseth	Pariseau	Stumpf
Benson, D.D.	Hanson	Larson	Pogemiller	Terwilliger
Berg	Janezich	Lessard	Price	Vickerman
Bertram	Johnson, D.E.	McGowan	Reichgott Junge	
Chmielewski	Johnson, D.J.	Metzen	Sams	

Those who voted in the negative were:

Anderson	Finn	Knutson	Moe, R.D.	Ranum
Benson, J.E.	Flynn	Krentz	Morse	Runbeck
Berglin	Hottinger	Lesewski	Oliver	Spear
Betzold	Johnson, J.B.	Luther	Olson	Wiener
Chandler	Johnston	Marty	Pappas	
Cohen	Kiscaden	Merriam	Piper	

The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2429 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 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Dille	Pappas	Piper	Spear
Betzold				

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Berg moved that the following members be excused for a Conference Committee on S.F. No. 103 from 9:30 to 11:30 a.m.:

Messrs. Berg, Janezich and Neuville. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2540 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2540

A bill for an act relating to energy; classifying and requiring information on applications for the municipal energy conservation investment loan program; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 216C.37, subdivision 3, and by adding subdivisions; Minnesota Statutes 1993 Supplement, section 216C.37, subdivision 1; repealing Minnesota Statutes 1992, section 216C.37, subdivision 8.

May 3, 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. 2540, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 2540 be further amended as follows:

Page 3, after line 17, insert:

“Sec. 10. [INTERIM FEE AND DISTRIBUTION.]

Until January 1, 1996, the enhanced 911 service fee is ten cents per month in addition to the fee actually collected under Minnesota Statutes 1992, section 403.11, subdivision 1. The additional fee is imposed effective January 1, 1995. Distribution of the revenue from the fee under Minnesota Statutes, section 403.113, subdivision 2, must begin March 1, 1995. The commissioner of the department of administration shall determine the amount of the additional enhanced 911 service fee to be in effect beginning January 1, 1996, under Minnesota Statutes, section 403.113.

Sec. 11. [APPROPRIATION.]

\$1,500,000 is appropriated to the commissioner of administration in fiscal year 1995 from the special revenue fund for purposes of implementing enhanced 911 telephone service as required in this act.”

Page 3, line 18, delete “6” and insert “12”

Delete the title and insert:

“A bill for an act relating to utilities; classifying and requiring information on applications for the municipal energy conservation investment loan program; authorizing fee to fund enhanced 911 emergency telephone service; appropriating money; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 216C.37, subdivision 3, and by adding subdivisions; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; Minnesota Statutes 1993 Supplement, section 216C.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 403; repealing Minnesota Statutes 1992, section 216C.37, subdivision 8.”

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

Senate Conferees: (Signed) Arlene J. Lesewski, Jim Vickerman, Janet B. Johnson

House Conferees: (Signed) Joel Jacobs, Chuck Brown, Dave Gruenes

Ms. Lesewski moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2540 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. 2540 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 12, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Laidig	Pappas	Samuelson
Beckman	Hanson	Larson	Pariseau	Soion
Belanger	Hottinger	Lesewski	Piper	Spear
Benson, D.D.	Janezich	Lessard	Pogemiller	Stevens
Benson, J.E.	Johnson, D.E.	McGowan	Price	Stumpf
Berg	Johnson, D.J.	Moe, R.D.	Ranum	Terwilliger
Bertram	Johnson, J.B.	Morse	Reichgott Junge	Vickerman
Chmielewski	Johnston	Murphy	Riveness	
Cohen	Kiscaden	Neuville	Robertson	
Day	Knutson	Oliver	Runbeck	
Finn	Krentz	Olson	Sams	

Those who voted in the negative were:

Anderson	Chandler	Kroening	Merriam	Wiener
Berglin	Flynn	Luther	Mondale	
Betzold	Kelly	Marty		

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 S.F. No. 2725 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2725: A bill for an act relating to metropolitan government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 473.551; 473.552; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

CALL OF THE SENATE

Mr. Riveness imposed a call of the Senate for the balance of the

proceedings on S.F. No. 2725. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Riveness moved to amend S.F. No. 2725 as follows:

Page 25, line 6, delete "ten" and insert "13"

Pages 39 and 40, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 28 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Marty	Pariseau	Sams
Benson, D.D.	Day	Metzen	Piper	Samuelson
Berg	Finn	Neuville	Price	Stevens
Bertram	Kelly	Novak	Reichgott Junge	Vickerman
Betzold	Kroening	Oliver	Riveness	
Chmielewski	Lesewski	Olson	Runbeck	

Those who voted in the negative were:

Adkins	Frederickson	Knutson	Moe, R.D.	Spear
Beckman	Hanson	Krentz	Mondale	Stumpf
Belanger	Hottinger	Laidig	Murphy	Terwilliger
Benson, J.E.	Janezich	Langseth	Pappas	Wiener
Berglin	Johnson, D.E.	Larson	Pogemiller	
Chandler	Johnson, D.J.	Luther	Ranum	
Dille	Johnston	McGowan	Robertson	
Flynn	Kiscaden	Merriam	Solon	

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

Mr. Terwilliger moved to amend S.F. No. 2725 as follows:

Page 40, after line 4, insert:

"Sec. 14. [ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The metropolitan sports facilities commission shall create an advisory task force for the purpose of studying the overall impact of professional sports in the state. The task force shall consist of 18 members as follows:

- (a) the governor or the governor's designee;*
- (b) the commissioner of trade and economic development;*
- (c) the chair of the Minnesota amateur sports commission;*
- (d) the chair of the metropolitan sports facilities commission;*
- (e) the chairs of the metropolitan and local government committee of the senate, and the local government and metropolitan affairs committee of the house of representatives, or their successor committees;*

(f) the chairs of the jobs, energy and community development committee of the senate, and the commerce and economic development committee of the house of representatives, or their successor committees;

(g) eight public members, appointed by the governor, one from each congressional district;

(h) one minority member of the senate, appointed by the subcommittee on committees of the rules and administration committee; and

(i) one minority member of the house of representatives, appointed by the speaker of the house.

Subd. 2. [STUDY.] The advisory task force must at a minimum analyze the following factors:

(a) the economic disruption and worker dislocation that would occur in the event that a professional sports team would relocate;

(b) the dynamics and consequences of cities competing against each other for professional sports franchises; and

(c) the relative public costs of obtaining and keeping professional sports franchises.

The advisory task force shall make findings and report to the legislature by February 1, 1995, on the overall impact of professional sports franchises on the state and recommendations on a policy the state should adopt with regard to obtaining and retaining professional sports franchises."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend S.F. No. 2725 as follows:

Page 21, line 36, delete "and the basketball and hockey arena"

Page 22, line 28, delete everything after "473.599" and insert a period

Page 22, line 29, delete the new language and insert:

"The agreement with respect to acquiring the basketball and hockey arena under section 473.599 must provide that:

(1) if the revenue collected by the taxes imposed under the agreement is not needed to pay debt service or to maintain debt service reserves on the bonds issued under section 473.599, one-half of the excess revenue must be used by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth, through the Minneapolis park and recreation board, and one-half of the excess revenue must be transferred to special school district No. 1 to pay for after-school, cultural, and athletic programs for children in kindergarten through grade eight; and

(2) the tax initially imposed under the agreement will not be eliminated or reduced."

Page 23, line 30, delete "and expenses of" and insert a period

Page 23, delete lines 31 and 32

Page 37, line 18, after the first comma, insert *"except for revenues expended for other purposes under the agreement entered into under section 473.592,"*

Page 37, line 29, after *"arena"* insert *"except for revenues expended for other purposes under the agreement entered into under section 473.592"*

The question was taken on the adoption of the amendment.

Mr. Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kroening	Murphy	Sams
Berglin	Finn	Langseth	Pappas	Solon
Betzold	Johnson, D.J.	Luther	Piper	Spear
Cohen	Johnson, J.B.	Marty	Price	Vickerman
Day	Kelly	Metzen	Riveness	

Those who voted in the negative were:

Adkins	Flynn	Krentz	Novak	Runbeck
Belanger	Frederickson	Laidig	Oliver	Samuelson
Benson, D.D.	Hanson	Larson	Olson	Stevens
Benson, J.E.	Hottinger	Lesewski	Pariseau	Stumpf
Berg	Janezich	McGowan	Pogemiller	Terwilliger
Bertram	Johnson, D.E.	Moe, R.D.	Ranum	Wiener
Chandler	Johnston	Mondale	Reichgott Junge	
Chmielewski	Knutson	Neuville	Robertson	

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

Mr. Luther moved to amend S.F. No. 2725 as follows:

Page 27, line 25, after *"to"* insert *"pursue negotiations to"*

Page 27, line 35, after *"and"* insert *"of the"*

Page 28, line 1, delete *"deemed"* and delete *"by the commission"*

Page 28, line 10, delete from *"The"* through page 28, line 12, to *"subdivision."*

Page 28, line 14, delete *"the"* and insert *"only trade secret and customer list"*

Page 28, line 16, after the period, insert *"The remaining data are public data."*

Page 40, after line 4, insert:

"Sec. 14. [REVIEW OF AGREEMENT.]

Any agreement between the metropolitan sports facilities commission and the city of Minneapolis or the Minneapolis community development agency under section 12 must be presented to the legislative commission on planning and fiscal policy for its review and comment before becoming effective. To facilitate this review, the city or redevelopment authority and the sports facilities commission shall make all relevant past and present financial records and information of the basketball and hockey arena, the sellers, and potential lessees and affiliated entities, subject to the confidentiality permitted

in Minnesota Statutes, section 473.598, subdivision 2, available for inspection by the commission on planning and fiscal policy."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Luther then requested division of the amendment as follows:

First portion:

Page 27, line 25, after "to" insert "*pursue negotiations to*"

Page 27, line 35, after "and" insert "*of the*"

Page 28, line 1, delete "*deemed*" and delete "*by the commission*"

Page 28, line 10, delete from "*The*" through page 28, line 12, to "*subdivision.*"

Page 28, line 14, delete "*the*" and insert "*only trade secret and customer list*"

Page 28, line 16, after the period, insert "*The remaining data are public data.*"

Second portion:

Page 40, after line 4, insert:

"Sec. 14. [REVIEW OF AGREEMENT.]

Any agreement between the metropolitan sports facilities commission and the city of Minneapolis or the Minneapolis community development agency under section 12 must be presented to the legislative commission on planning and fiscal policy for its review and comment before becoming effective. To facilitate this review, the city or redevelopment authority and the sports facilities commission shall make all relevant past and present financial records and information of the basketball and hockey arena, the sellers, and potential lessees and affiliated entities, subject to the confidentiality permitted in Minnesota Statutes, section 473.598, subdivision 2, available for inspection by the commission on planning and fiscal policy."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Mr. Pogemiller moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

Anderson	Cohen	Lesewski	Pappas	Spear
Beckman	Finn	Luther	Piper	Vickerman
Berg	Johnson, J.B.	Marty	Price	
Bertram	Johnston	Merriam	Reichgott Junge	
Betzold	Kelly	Morse	Sams	
Chmielewski	Kroening	Neuville	Samuelson	

Those who voted in the negative were:

Adkins	Flynn	Knutson	Mondale	Riveness
Belanger	Frederickson	Krentz	Murphy	Robertson
Benson, D.D.	Hanson	Laidig	Novak	Runbeck
Benson, J.E.	Hottinger	Langseth	Oliver	Solon
Berglin	Janezich	Lessard	Olson	Stevens
Chandler	Johnson, D.E.	McGowan	Pariseau	Stumpf
Day	Johnson, D.J.	Meizen	Pogemiller	Terwilliger
Dille	Kiscaden	Moe, R.D.	Ranum	Wiener

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

Mr. Oliver moved to amend S.F. No. 2725 as follows:

Page 28, line 9, after the second "the" insert "sellers, the" and after "lessees" insert a comma

Page 39, line 28, after the period, insert "The appropriation provided under this section terminates after the debt service on the obligations issued under section 12 has been paid."

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 2725 as follows:

Page 40, line 4, after the period, insert "The amateur sports commission must report monthly to the chair of the state government division of the senate finance committee and to the chair of the state government finance division of the house of representatives governmental operations and gambling committee on the actual usage of the facility."

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

Mr. Pogemiller moved to amend S.F. No. 2725 as follows:

Page 36, line 20, delete "may execute" and insert "has executed"

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 2725 as follows:

Page 21, after line 24, insert:

"A tax under this subdivision shall be imposed only within the downtown taxing area described in Laws 1986, chapter 400, section 44."

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 2725 as follows:

Page 36, after line 34, insert:

"(r) The commission has verified that ownership of the major league professional basketball organization has been transferred from the person or

entity that owned the organization on May 3, 1994, to a new owner that is not related to the former owner."

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

Mr. Larson moved to amend S.F. No. 2725 as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] (a) The Minnesota amateur sports commission consists of 12 voting members, four of whom must be experienced in promoting amateur sports. ~~Nine~~ *Eight* of the voting members shall be appointed by the governor to three-year terms and *reside in each of the state's congressional districts.* ~~Two~~ *Four* legislators, ~~one~~ *two* from each house appointed according to its rules, shall be nonvoting members. *One member from each house shall be from the minority caucus.* Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

(b) The governor, speaker of the house of representatives, and senate majority leader shall each appoint one additional voting member to the commission to a two-year term. The purpose of adding three members to the commission is to ensure gender balance in commission membership. Compensation, removal, and filling of vacancies of members appointed under this paragraph are as provided in section 15.0575. A member appointed under this paragraph may be reappointed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Cohen moved to amend S.F. No. 2725 as follows:

Page 21, line 10, after the period, insert "*The tax shall be imposed, notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), at a rate of one percent on the gross receipts from the furnishing of consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality.*"

Page 21, lines 15 to 18, delete the new language and strike the old language

Page 21, line 19, strike "trailer camp located within the municipality,"

Page 21, line 20, delete "(c)" and insert "(b)"

Page 21, line 24, delete "(d)" and insert "(c)"

Pages 39 and 40, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Pogemiller moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 21 and nays 37, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Hottinger	Lesewski	Neuville	Stevens
Berg	Johnson, J.B.	Luther	Olson	
Bertram	Johnston	Marty	Piper	
Cohen	Kelly	Merriam	Price	
Finn	Kiscaden	Morse	Riveness	

Those who voted in the negative were:

Adkins	Day	Knutson	Novak	Spear
Anderson	Dille	Krentz	Oliver	Stumpf
Belanger	Flynn	Laidig	Pappas	Terwilliger
Benson, J.E.	Frederickson	Larson	Pogemiller	Vickerman
Berglin	Hanson	McGowan	Ranum	Wiener
Betzold	Janezich	Moe, R.D.	Reichgott Junge	
Chandler	Johnson, D.E.	Mondale	Robertson	
Chmielewski	Johnson, D.J.	Murphy	Runbeck	

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

Mr. Pogemiller moved that S.F. No. 2725 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 3041 be taken from the table. The motion prevailed.

H.F. No. 3041: A bill for an act relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.553; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

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 H.F. No. 3041 and that the rules of the Senate be so far suspended as to give H.F. No. 3041 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 3041 was read the second time.

Mr. Pogemiller moved to amend H.F. No. 3041 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 3041, and insert the language after the enacting clause, and the title, of S.F. No. 2725, the third engrossment, as amended by the Senate May 4, 1994.

The motion prevailed. So the amendment was adopted.

H.F. No. 3041 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 36 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Krentz	Novak	Spear
Belanger	Frederickson	Laidig	Oliver	Stumpf
Benson, D.D.	Hanson	Langseth	Pappas	Terwilliger
Benson, J.E.	Hottinger	Lessard	Pogemiller	Wiener
Berglin	Janezich	Luther	Ranum	
Betzold	Johnson, D.E.	McGowan	Reichgott Junge	
Chmielewski	Johnson, D.J.	Moe, R.D.	Robertson	
Dille	Kiscaden	Mondale	Solon	

Those who voted in the negative were:

Anderson	Finn	Lesewski	Olson	Samuelson
Beckman	Johnson, J.B.	Marty	Pariseau	Stevens
Berg	Johnston	Merriam	Piper	Vickerman
Bertram	Kelly	Metzen	Price	
Chandler	Knutson	Morse	Riveness	
Cohen	Kroening	Murphy	Runbeck	
Day	Larson	Neuville	Sams	

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

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.

Mr. Metzen and Ms. Johnson, J.B. introduced—

S.F. No. 2932: A bill for an act relating to employment; the employee leasing act; providing for the establishment and regulation of employee leasing companies; providing penalties; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 116J.70, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 181C.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the

following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 180: Messrs. Kroening, Janezich and Johnson, D.E.

H.F. No. 3179: Messrs. Stumpf, Price and Dille.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on H.F. No. 3086 from 1:30 to 3:30 p.m.:

Messrs. Morse, Merriam and Ms. Johnson, J.B. The motion prevailed.

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today from 11:00 to 11:25 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m., Thursday, May 5, 1994. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate