

FORTY-NINTH DAY

St. Paul, Minnesota, Friday, April 28, 1995

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Joanne Perrin.

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

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

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Office of the Ramsey County Attorney, Pre-trial Diversion Report, 1995; Department of Administration, Rent Report, 1995; Minnesota State Lottery, Annual Report, 1994; Department of Economic Security, Community Based Services, Transitional Housing Program, 1995; Department of Commerce, Concept of Reserve Corridor for Indemnity Insurers, 1995; Department of Human Services, Minnesota's Adoption Laws: Protecting the Child, Birth Parents and Adoptive Parents; Kandiyohi County Attorney, Diversion Report, 1995; Department of Public Safety, DWI Tracking System Feasibility Study, Final Report, 1995; Department of Health, Analysis of the Financial Condition of Licensed Ambulance Services in Minnesota, 1995; Department of Administration, Information Policy Office Annual Report: Progress Toward Implementing Information Standards and Guidelines, 1995; Minnesota Racing Commission, Annual Report, 1994; Office of the Olmsted County Attorney, Diversion Report, 1995; Interagency Long-Term Care Planning Committee (INTERCOM), Biennial Report, 1993-94; Department of Revenue, Tax Expenditure Budget, Fiscal Years 1995-97; Minnesota Criminal and Juvenile Justice Information Policy Group and Task Force, Recommendations and Progress Report on Criminal Justice Information, 1995;

Department of Human Services, State Coordinating Council, Local Children's Mental Health Collaboratives, 1994; Minnesota Housing Finance Agency, Assessment Report and Biennial Report, 1993-94; Department of Corrections, Intensive Community Supervision/Intensive Supervised Release Program, 1995; Department of Human Services, Family Preservation: The Promise of the Nineties, 1995; Department of Public Safety, Office of Crime Victim's Ombudsman, Biennial Report, 1993-94; Department of Human Services, State Operated Adult Mental Health Programs, 1995; Legislative Commission to Review Administrative Rules, Biennial Report, 1993-94; Board of Invention, 1994; Department of Human Services, Advisory Committee on Organ and Tissue Transplants, Annual Report, 1995; Department of Human Services, Quarterly Report, Medical Care Surcharge Fund, 1995; Minnesota Planning, Annexation Criteria, 1995; Minnesota Department of Health, Maternal and Child Health Services Block Grant, 1995; Office of Polk County Attorney, Operation of Polk County Pretrial Diversion Program, 1994; Office of the Hennepin County Attorney, Pre-Trial Diversion Programs, 1995; Department of Health, Medical Education and Research Costs (MERC) in Minnesota's Reformed Health Care System, 1995; Department of Transportation, Final Environmental Impact Statement and Section 4(f) Evaluation for the New St. Croix River Crossing; Department of Agriculture, Minnesota Agricultural Land Preservation Program, Status Report, 1993-94; Office of the Fillmore County Attorney, Diversion Program, 1994; Department of Human Services, New Chance Program, 1995; Department of Human Services, Services to Minnesotans with Developmental Disabilities, 1996-97; Department of Health, Community Health Services in Minnesota, 1995.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 26, 1995

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1144, 839 and 893.

Warmest regards,
Arne H. Carlson, Governor

April 27, 1995

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1995 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1995	Date Filed 1995
	1457	93	1:55 p.m. April 26	April 26
1144		94	1:58 p.m. April 26	April 26
839		95	2:10 p.m. April 26	April 26
893		96	2:05 p.m. April 26	April 26

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1678: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 5.14; 15.50, subdivision 2; 15.91, subdivision 2; 16B.39, by adding a subdivision; 16B.42, subdivision 3; 16B.88, subdivisions 1, 2, 3, and 4; 126A.01; 126A.02; 126A.04; 197.05; 240A.08; 309.501, by adding a subdivision; and 349A.08, subdivision 5; Laws 1993, chapter 224, article 12, section 33; proposing coding for new law in Minnesota Statutes, chapters 16B; and 43A.

Senate File No. 1678 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 27, 1995

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1678, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ms. Olson introduced--

Senate Resolution No. 60: A Senate resolution congratulating the Zachary Lane Elementary School chess teams on participation in the 1995 Minnesota State Chess Tournament.

Referred to the Committee on Rules and Administration.

Mr. Merriam introduced--

Senate Resolution No. 61: A Senate resolution commending the generosity of Minnesota marrow donor volunteers and encouraging more Minnesotans to be marrow donors.

Referred to the Committee on Rules and Administration.

Mr. Hottinger moved that the name of Mr. Price be added as a co-author to S.F. No. 1556. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 440 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 440: A bill for an act relating to insurance; regulating coverages, notice provisions, enforcement provisions, fees, licensees; making technical changes; amending Minnesota Statutes 1994, sections 60A.06, subdivision 3; 60A.085; 60A.111, subdivision 2; 60A.124; 60A.23, subdivision 8; 60A.26; 60A.951, subdivisions 2 and 5; 60A.954, subdivision 1; 60K.03, subdivision 7; 60K.14, subdivision 1; 61A.03, subdivision 1; 61A.071; 61A.092, subdivisions 3 and 6; 61B.28, subdivisions 8 and 9; 62A.042; 62A.135; 62A.136; 62A.14; 62A.141; 62A.146;

62A.148; 62A.17, subdivision 1; 62A.20, subdivision 1; 62A.21, subdivision 2a; 62A.31, subdivisions 1h and 1i; 62A.46, subdivision 2, and by adding a subdivision; 62A.48, subdivisions 1 and 2; 62A.50, subdivision 3; 62C.14, subdivisions 5 and 14; 62C.142, subdivision 2a; 62D.101, subdivision 2a; 62E.02, subdivision 7; 62F.02, subdivision 2; 62I.09, subdivision 2; 62L.02, subdivision 16; 62L.03, subdivision 5; 65A.01, by adding a subdivision; 65B.06, subdivision 3; 65B.08, subdivision 1; 65B.09, subdivision 1; 65B.10, subdivision 3; 65B.61, subdivision 1; 72A.20, by adding a subdivision; 72B.05; 79.251, subdivision 5, and by adding a subdivision; 79.34, subdivision 2; 79.35; 79A.01, by adding a subdivision; 79A.02, subdivision 4; 79A.03, by adding a subdivision; 176.181, subdivision 2; 299F.053, subdivision 2; and 515A.3-112; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1994, section 65B.07, subdivision 5.

Mr. Hottinger moved to amend S.F. No. 440 as follows:

Page 57, delete lines 9 and 10 and insert:

"Sections 1 to 4, 6 to 10, 13 to 15, 17, 19 to 21, 24 to 29, 31 to 35, 37 to 42, 44, 45, 51, 52, 54, 57 to 61, and 63 are effective the"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Pages 24 to 28, delete sections 24 to 28

Pages 34 to 36, delete sections 38 and 39

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, delete line 12

Page 1, line 13, delete everything before "62A.31"

Page 1, delete line 17

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 50, line 13, delete "shall" and insert "may be required to"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 4, line 4, strike "or"

Page 4, line 8, before the period, insert "; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state"

The motion prevailed. So the amendment was adopted.

Mr. Hottinger then moved to amend S.F. No. 440 as follows:

Page 6, after line 9, insert:

"Sec. 6. [60A.235] [STANDARDS FOR DETERMINING WHETHER CONTRACTS ARE HEALTH PLAN CONTRACTS OR STOP LOSS CONTRACTS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The purpose of this section is to establish a standard for the determination of whether an insurance policy or other evidence or coverage

should be treated as a policy of accident and sickness insurance or a stop loss policy for the purpose of the regulation of the business of insurance. The laws regulating the business of insurance in Minnesota impose distinctly different requirements upon accident and sickness insurance policies and stop loss policies. In particular, the regulation of accident and sickness insurance in Minnesota includes measures designed to reform the health insurance market, to minimize or prohibit selective rating or rejection of employee groups or individual group members based upon health conditions, and to provide access to affordable health insurance coverage regardless of preexisting health conditions. The health care reform provisions enacted in Minnesota will only be effective if they are applied to all insurers and health carriers who in substance, regardless of purported form, engage in the business of issuing health insurance coverage to employees of an employee group. This section applies to insurance companies and health carriers and the policies or other evidence of coverage that they issue. This section does not apply to employers or the benefit plans they establish for their employees.

Subd. 2. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given.

(a) "Attachment point" means the claims amount beyond which the insurance company or health carrier incurs a liability for payment.

(b) "Direct coverage" means coverage under which an insurance company or health carrier assumes a direct obligation to an individual, under the policy or evidence of coverage, with respect to health care expenses incurred by the individual or a member of the individual's family.

(c) "Expected claims" means the amount of claims that, in the absence of a stop loss policy or other insurance or evidence of coverage, are projected to be incurred under an employer-sponsored plan covering health care expenses.

(d) "Expected plan claims" means the expected claims less the projected claims in excess of the specific attachment point, adjusted to be consistent with the employer's aggregate contract period.

(e) "Health plan" means a health plan as defined in section 62A.011 and includes group coverage regardless of the size of the group.

(f) "Health carrier" means a health carrier as defined in section 62A.011.

Subd. 3. [HEALTH PLAN POLICIES ISSUED AS STOP LOSS COVERAGE.] (a) An insurance company or health carrier issuing or renewing an insurance policy or other evidence of coverage, that provides coverage to an employer for health care expenses incurred under an employer-sponsored plan provided to the employer's employees, retired employees, or their dependents, shall issue the policy or evidence of coverage as a health plan if the policy or evidence of coverage:

(1) has a specific attachment point for claims incurred per individual that is lower than \$10,000; or

(2) has an aggregate attachment point that is lower than the sum of:

(i) 150 percent of the first \$50,000 of expected plan claims;

(ii) 120 percent of the next \$450,000 of expected plan claims; and

(iii) 110 percent of the remaining expected plan claims.

(b) Where the insurance policy or evidence of coverage applies to a contract period of more than one year, the dollar amounts set forth in paragraph (a), clauses (1) and (2), must be multiplied by the length of the contract period expressed in years.

(c) The commissioner may adjust the constant dollar amounts provided in paragraph (a), clauses (1) and (2), on January 1 of any year, based upon changes in the medical component of the Consumer Price Index (CPI). Adjustments must be in increments of \$100 and must not be made unless at least that amount of adjustment is required. The commissioner shall publish any change in these dollar amounts at least three months before their effective date.

(d) A policy or evidence of coverage issued by an insurance company or health carrier that provides direct coverage of health care expenses of an individual including a policy or evidence of coverage administered on a group basis is a health plan regardless of whether the policy or evidence of coverage is denominated as stop loss coverage.

Subd. 4. [COMPLIANCE.] (a) An insurance company or health carrier that is required to issue a policy or evidence of coverage as a health plan under this section shall, even if the policy or evidence of coverage is denominated as stop loss coverage, comply with all the laws of this state that apply to the health plan, including, but not limited to, chapters 62A, 62C, 62D, 62E, 62L, and 62Q.

(b) With respect to an employer who had been issued a policy or evidence of coverage denominated as stop loss coverage before the effective date of this section, compliance with this section is required as of the first renewal date occurring on or after the effective date of this section.

Sec. 7. [60A.236] [STOP LOSS REGULATION.]

A contract providing stop loss coverage, issued or renewed to a small employer, as defined in section 62L.02, subdivision 26, or to a plan sponsored by a small employer, must include a claim settlement period no less favorable to the small employer or plan than coverage of all claims incurred during the contract period regardless of when the claims are paid."

Page 57, line 9, delete everything after the first "to"

Page 57, delete lines 10 to 14 and insert "12, 15 to 17, 19, 21 to 23, 26 to 37, 39, 41 to 44, 46 to 48, 51, 53 to 56, 59 to 63, and 65 are effective the day following final enactment"

Section 45 is effective January 1, 1995.

Sections 13, 57, and 58 are effective January 1, 1996.

Sections 24, 25, and 38 are effective January 1, 1996, and"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 29, delete "chapter" and insert "chapters 60A; and"

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 440 as follows:

Page 41, after line 25, insert:

"Sec. 51. Minnesota Statutes 1994, section 72A.20, subdivision 13, is amended to read:

Subd. 13. [REFUSAL TO RENEW.] Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 65A.27, for property located in a town or statutory or home rule charter city, in which the insurer offers to sell or writes homeowner's insurance, solely because:

(a) of the geographic area in which the property is located;

(b) of the age of the primary structure sought to be insured;

(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e); or

(d) the property of the insured or prospective insured has been insured under the Minnesota FAIR plan act, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

This subdivision prohibits an insurer from filing or charging different rates for different zip code areas within the same town or statutory or home rule charter city.

This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (d). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 65A.29, subdivisions 2 to 4, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.

Sec. 52. Minnesota Statutes 1994, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

- (1) use the employment status of the applicant as an underwriting standard or guideline; or
- (2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

- (2) deny coverage to a policyholder for the same reason; or

(3) make any discrimination in offering or establishing rates, premiums, dividends, or benefits of any kind, or by way of rebate, for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

- (2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

(d) No insurer that offers an automobile insurance policy in this state shall use an applicant's prior claims for benefits paid under section 65B.44 as an underwriting standard or guideline if the applicant was 50 percent or less negligent in the accident or accidents causing the claims.

(e) No insurer that offers an automobile insurance policy in this state shall file or charge different rates for different zip code areas within the same town or statutory or home rule charter city."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Larson moved to amend S.F. No. 440 as follows:

Page 57, line 6, delete "section" and insert "sections 61A.072, subdivision 3; and" and delete "is" and insert "are"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Piper moved to amend S.F. No. 440 as follows:

Page 28, after line 25, insert:

"Sec. 29. [62A.307] [BREAST CANCER COVERAGE.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all health plans as defined in section 62A.011.

Subd. 2. [REQUIRED COVERAGE.] Every health plan included in subdivision 1 must provide to each covered person who is a resident of Minnesota coverage for the treatment of breast cancer by high-dose chemotherapy with autologous bone marrow transplantation and for expenses arising from the treatment.

Subd. 3. [GREATER COINSURANCE OR COPAYMENT PROHIBITED.] Coverage under this section shall not be subject to any greater coinsurance or copayment than that applicable to any other coverage provided by the health plan.

Subd. 4. [GREATER DEDUCTIBLE PROHIBITED.] Coverage under this section shall not be subject to any greater deductible than that applicable to any other coverage provided by the health plan."

Page 57, after line 15, insert:

"Section 29 is effective the day following final enactment and applies to health plans offered, issued, sold, or renewed to provide coverage to a Minnesota resident on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for certain breast cancer coverage;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 54 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Kramer	Mondale	Reichgott Junge
Beckman	Frederickson	Krentz	Morse	Riveness
Belanger	Hanson	Kroening	Murphy	Sams
Berg	Hottinger	Laidig	Novak	Samuelson
Berglin	Janezich	Langseth	Ourada	Solon
Bertram	Johnson, D.E.	Lessard	Pappas	Spear
Betzold	Johnson, D.J.	Limner	Pariseau	Stumpf
Chandler	Johnson, J.B.	Marty	Piper	Terwilliger
Cohen	Johnston	Merriam	Pogemiller	Vickerman
Day	Kelly	Metzen	Price	Wiener
Finn	Knutson	Moe, R.D.	Ranum	

Those who voted in the negative were:

Chmielewski	Kleis	Lesewski	Oliver	Scheevel
Dille	Larson	Neuville	Robertson	Stevens
Kiscaden				

The motion prevailed. So the amendment was adopted.

Mr. Murphy moved to amend S.F. No. 440 as follows:

Page 36, after line 18, insert:

"Sec. 41. Minnesota Statutes 1994, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan and a number two qualified plan, except that the maximum lifetime benefit on these plans shall be ~~\$1,000,000~~ \$1,500,000, and an extended basic plan and a basic Medicare plan as described in sections 62A.31 to 62A.44 and 62E.07. The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner."

Page 57, after line 15, insert:

"Section 41 is effective July 1, 1995, and applies to coverage issued or renewed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "the comprehensive health association; increasing the lifetime benefit limit;"

Page 1, line 18, after the first semicolon, insert "62E.12;"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Finn	Krentz	Murphy	Sams
Beckman	Flynn	Kroening	Pappas	Samuelson
Belanger	Hanson	Limmer	Piper	Spear
Berglin	Hottinger	Marty	Pogemiller	Stumpf
Betzold	Janezich	Metzen	Price	Vickerman
Chandler	Johnson, D.J.	Moe, R.D.	Ranum	Wiener
Chmielewski	Johnson, J.B.	Mondale	Reichgott Junge	
Cohen	Kramer	Morse	Riveness	

Those who voted in the negative were:

Berg	Johnston	Laidig	Oliver	Scheevel
Bertram	Kelly	Larson	Olson	Solon
Day	Kiscaden	Lesewski	Ourada	Stevens
Frederickson	Kleis	Merriam	Pariseau	Terwilliger
Johnson, D.E.	Knutson	Neuville	Robertson	

The motion prevailed. So the amendment was adopted.

Pursuant to rule 22, Ms. Olson moved to be excused from voting on S.F. No. 440. The motion prevailed.

S.F. No. 440 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 787 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 787: A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, 9, and 12; 103G.237, subdivision 4; 103G.2372, subdivision 1; and 103G.2373; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

Mr. Stumpf moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1994, section 103G.005, is amended by adding a subdivision to read:

Subd. 2a. [AGRICULTURAL LAND.] "Agricultural land" means:

(1) land used for horticultural, row, close grown, pasture, and hayland crops; growing nursery stocks; and animal feedlots; and

(2) associated contiguous land and buildings under the same ownership, including farmyards."

Page 3, lines 27 and 28, strike "or in counties or watersheds" and insert ", affected by a public transportation project, or located in a county or watershed"

Page 4, line 28, delete "2,000 square feet" and insert "1/20 acre" and delete everything after "wetlands"

Page 4, line 29, delete "of shoreland areas" and insert "within 300 feet of the ordinary high water level of public waters"

Page 4, line 30, delete "10,000 square feet" and insert "one-fourth acre"

Page 4, line 32, delete "20,000 square feet" and insert "one-half acre"

Page 5, line 30, after "existing" insert ":

(i)"

Page 5, line 31, after "public" insert "drainage systems that have not been abandoned under chapter 103E;" and after "or" insert:

"(ii)" and reinstate the stricken language

Page 5, line 32, reinstate the stricken language

Page 6, line 14, strike the comma

Page 6, line 16, after "edition)" insert a comma and after "for" insert "a" and strike "wetlands" and insert "wetland, that is located on agricultural land or outside of shoreland as defined in section 103F.205"

Page 7, line 27, strike "up to one-half acre"

Page 7, line 28, strike "a previously"

Page 7, line 29, strike "authorized, currently serviceable" and insert "an" and after the comma, insert "or updating of an existing public road as necessary to comply with requirements under state or federal law,"

Page 7, line 30, strike everything after "that"

Page 7, strike lines 31 to 35

Page 7, line 36, strike "minimized" and insert "this exemption applies only within the existing road right-of-way"

Page 9, line 12, after "wetlands" insert ", other than types 4 and 5 wetlands,"

Page 9, line 15, delete "1,000" and strike "square feet" and insert "1/40 acre" and delete everything after "wetlands"

Page 9, line 16, delete "of shoreland areas" and insert "within 300 feet of the ordinary high water level of public waters"

Page 9, line 17, delete "5,000 square feet" and insert "one-eighth acre"

Page 9, line 18, after "percent" insert "or less"

Page 9, line 19, delete "10,000 square feet" and insert "one-fourth acre"

Page 9, line 28, after the semicolon, insert "and"

Page 9, delete lines 29 and 30

Page 9, line 31, delete "(28)" and insert "(27)" and after "landowner" insert "that are necessary"

Page 9, line 32, after "property" insert "provided that the draining or filling of wetlands is minimized"

Page 10, after line 27, insert:

"(f) The exemption in paragraph (a), clause (25), no longer applies to a wetland when the cumulative area drained or filled since January 1, 1992, is the greater of:

(1) the applicable area listed in paragraph (a), clause (24), items (i) to (iii); or

(2) five percent of the total area of the wetland."

Page 12, lines 4 and 5, delete "as part of the local government's official controls" and insert "by ordinance in accordance with the process required for adoption of comprehensive plans under chapter 394 and the following additional requirements:

(i) not less than 30 days before the public hearing required by section 375.51, subdivision 1, the local government unit shall provide written notice of the hearing to the executive director of the board and the commissioners of natural resources and the pollution control agency;

(ii) the local government unit shall prepare and make available to the public a written report addressing the issues raised in comments received on the proposed plan;

(iii) at the time publication is made of the adopted plan under section 375.51, subdivision 3, a copy of the plan must also be mailed to the executive director of the board and the commissioners of natural resources and the pollution control agency; and

(iv) notice of the availability of the report required in clause (2) must be included in the publication under section 375.51, subdivision 3, and mailed with the plan under clause (3)"

Page 12, line 25, after "land" insert ", provided there is no net loss of wetland values, based on the classification"

Page 12, after line 33, insert:

"(d) The board may develop guidelines to assist local government units in developing plans under this paragraph. Any guidelines developed by the board are not binding on local government units."

Page 12, line 36, delete the new language

Page 13, delete lines 17 to 21

Page 20, line 6, delete "involve" and insert "involves"

Page 20, line 10, delete "are" and insert "wetland is"

Page 20, after line 11, insert:

"Sec. 17. Minnesota Statutes 1994, section 115.03, is amended by adding a subdivision to read:

Subd. 4a. [SECTION 401 CERTIFICATIONS.] (a) The following definitions apply to this subdivision:

(1) "section 401 certification" means a water quality certification required under section 401 of the federal Clean Water Act, United States Code, title 33, section 1341; and

(2) "nationwide permit" means a nationwide general permit issued by the United States Army Corps of Engineers and listed in Code of Federal Regulations, title 40, part 330, appendix A.

(b) The agency is responsible for providing section 401 certifications for nationwide permits.

(c) Before making a final decision on a section 401 certification for a nationwide permit, the agency shall hold at least one public meeting outside the seven-county metropolitan area.

(d) In addition to other notice required by law, the agency shall provide written notice of a meeting at which the agency will be considering a section 401 certification for a nationwide permit at least 21 days before the date of the meeting to the members of the senate and house of representatives environment and natural resources committees, the senate agriculture and rural development committee, and the house of representatives agriculture committee."

Pages 20 and 21, delete section 20

Page 21, after line 25, insert:

"Sec. 22. [EFFECTIVE DATE.]

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Stumpf moved that H.F. No. 787 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1052 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1052: A bill for an act relating to abuse; conforming domestic abuse definitions; including persons with certain significant relationships; allowing certain minors to petition on their own behalf for orders for protection; modifying petition requirements; providing for subsequent petitions; modifying requirements for alternate service; extending time period for certain domestic abuse arrests; recodifying and clarifying portions of the assault in the fifth degree statute which concern domestic assault; amending Minnesota Statutes 1994, sections 518B.01, subdivisions 2, 4, 8, 14, and by adding a subdivision; 609.224, subdivisions 2 and 3; 611A.31, subdivision 2; 629.341, subdivision 1; and 629.72, subdivisions 1, 2, and 6; proposing coding for new law in Minnesota Statutes, chapter 609.

Ms. Reichgott Junge moved to amend S.F. No. 1052 as follows:

Page 12, line 25, strike "has assaulted, threatened with a dangerous weapon, or"

Page 12, strike lines 26 to 29

Page 12, line 30, strike "have been married or have lived together at any time" and insert "has committed domestic abuse, as defined in section 518B.01, subdivision 2"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott Junge then moved to amend S.F. No. 1052 as follows:

Page 2, line 32, after the second "or" insert "by a family or household member, guardian, or other representative"

Page 2, lines 33 and 34, delete the new language and insert "A minor age 16 or older may make a petition on the minor's own behalf against a spouse or former spouse, a person with whom the minor has a child in common, a man if the minor is pregnant and the man is alleged to be the father, or a person with whom the minor is or has been involved in a significant romantic or sexual relationship."

Mr. Price moved to amend the second Reichgott Junge amendment to S.F. No. 1052 as follows:

Page 1, line 7, delete "a man if the minor is pregnant and"

Page 1, line 8, delete "the man is alleged to be the father,"

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

CALL OF THE SENATE

Ms. Reichgott Junge imposed a call of the Senate for the balance of the proceedings on S.F. No. 1052. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the second Reichgott Junge amendment, as amended.

Mr. Neville moved that those not voting be excused from voting. The motion did not prevail.

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

Those who voted in the affirmative were:

Anderson
Beckman
Berglin
Betzold
Chandler

Cohen
Finn
Flynn
Hottinger
Janezich

Johnson, D.J.
Johnson, J.B.
Kelly
Krentz
Marty

Merriam
Metzen
Moe, R.D.
Mondale
Morse

Murphy
Novak
Pappas
Piper
Pogemiller

Price Ranum	Reichgott Junge Riveness	Robertson Solon	Spear	Wiener
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Those who voted in the negative were:

Belanger	Hanson	Kroening	Neuville	Scheevel
Berg	Johnson, D.E.	Laidig	Oliver	Stevens
Bertram	Johnston	Langseth	Olson	Stumpf
Chmielewski	Kiscaden	Larson	Ourada	Terwilliger
Day	Kleis	Lesewski	Pariseau	Vickerman
Dille	Knutson	Lessard	Sams	
Frederickson	Kramer	Limmer	Samuelson	

The motion did not prevail. So the second Reichgott Junge amendment, as amended, was not adopted.

Ms. Reichgott Junge moved that S.F. No. 1052 be laid on the table. The motion prevailed.

Mr. Stumpf moved that H.F. No. 787 be taken from the table. The motion prevailed.

H.F. No. 787: A bill for an act relating to water; wetland protection and management; amending Minnesota Statutes 1994, sections 103F.612, subdivisions 2, 3, 5, 6, and 7; 103G.127; 103G.222; 103G.2241; 103G.2242, subdivisions 1, 6, 7, 9, and 12; 103G.237, subdivision 4; 103G.2372, subdivision 1; and 103G.2373; repealing Minnesota Statutes 1994, section 103G.2242, subdivision 13.

The question recurred on the Stumpf amendment. The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan ~~approved by the board~~ adopted under section 103G.2242, subdivision 1, ~~paragraph (e) 1a~~, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Except as provided in paragraph (1), replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) A local government unit may make a sequencing determination and, after consideration, deviate from the provisions of paragraph (b), without a written alternatives analysis from the applicant, for projects involving the draining or filling of less than:

(1) 2,000 square feet of wetlands in the building setback of shoreland areas in all counties;

(2) 10,000 square feet of wetlands in counties with 80 percent or less of their presettlement wetlands remaining; and

(3) 20,000 square feet of wetlands in counties with more than 80 percent of their presettlement wetlands remaining.

(m) For projects involving draining or filling of wetlands outside of the building setback of shoreland areas, a person may satisfy replacement requirements under this section by paying an

amount equal to the fair market value of the upland created by the draining or filling activity, as determined by a licensed appraiser. The payment must be made to the board or to the local government unit if it has established a wetland bank that is approved by the board. The board or local government unit shall use any money received under this paragraph for making withdrawals from the wetland bank administered by the board or local government unit for the purpose of replacing lost wetland values. Payments received by the board under this paragraph must be deposited in the state treasury and credited to the general fund and are appropriated to the board for the purposes of this paragraph.

Sec. 2. Minnesota Statutes 1994, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

(a) Subject to the conditions in paragraph ~~(b)~~ (c), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as type 3, 4, or 5 wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an ~~applicable~~ individual or general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);

(7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;

(8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions ~~by public entities~~ that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) draining or filling up to one-half acre of wetlands for the repair, rehabilitation, or replacement of a previously authorized, currently serviceable existing public road, provided that minor deviations in the public road's configuration or filled area, including those due to changes in materials, construction techniques, or current construction codes or safety standards, that are necessary to make repairs, rehabilitation, or replacement are allowed if the wetland draining or filling resulting from the repair, rehabilitation, or replacement is minimized;

(17) ~~emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland or private infrastructure, and updating of public or private infrastructure as necessary to comply with requirements under state or federal law;~~

(18) ~~normal maintenance and minor repair of structures causing no, including private crossings, provided the activity does not result in additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;~~

(19) duck blinds;

(20) aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food,

Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body; and

(25) ~~activities~~ projects that result in the draining or filling of less than:

(i) 400 square feet of wetlands in counties or watersheds with less than 50 percent of their presettlement wetlands remaining;

(ii) 400 square feet of wetlands in shoreland areas, as defined in section 103F.205, subdivision 4, in all counties;

(iii) 1,000 square feet of wetlands in nonshoreland areas of counties or watersheds with 50 to 80 percent of their presettlement wetlands remaining; or

(iv) 10,000 square feet of wetlands in nonshoreland areas of counties or watersheds with more than 80 percent of their presettlement wetlands remaining; and

(26) deposition of spoil resulting from excavation within a wetland for wildlife habitat purposes, if:

(i) the area of deposition does not exceed five percent of the wetland area; and

(ii) the project does not have an adverse impact on any species designated as threatened or endangered under state or federal law.

(b) For the purpose of paragraph (a), clause (16), "currently serviceable" means usable as is or with some maintenance, but not so degraded as to essentially require reconstruction. Paragraph (a), clause (16), authorizes the repair, rehabilitation, or replacement of public roads destroyed by storms, floods, fire, or other discrete events, provided the repair, rehabilitation, or replacement is commenced or under contract to commence within two years of the occurrence of the destruction or damage.

(c) In applying the exemption in paragraph (a), clause (25), the local government unit shall determine the scope of the project and the wetlands to be replaced. In making this determination, the local government unit may request assistance from the technical evaluation panel established under section 103G.2242, subdivision 2.

(d) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

Sec. 3. Minnesota Statutes 1994, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By July 1, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary

payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(c) ~~The board may approve~~ As an alternative to the rules adopted under this subdivision, a local government unit may develop and implement a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

~~(1) incorporates sections 103A.201, subdivision 2, and 103G.222;~~

~~(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311;~~
and

~~(3) is adopted as part of the local government's official controls in accordance with subdivision 1a.~~

(d) If the local government unit fails to apply the rules, or fails to implement a local program comprehensive wetland protection and management plan under ~~paragraph (c)~~ subdivision 1a, the government unit is subject to penalty as determined by the board.

Sec. 4. Minnesota Statutes 1994, section 103G.2242, is amended by adding a subdivision to read:

Subd. 1a. [COMPREHENSIVE WETLAND PROTECTION AND MANAGEMENT PLANS.] (a) The board may approve as an alternative to the rules adopted under this section a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

(1) incorporates sections 103A.201, subdivision 2, and 103G.222;

(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311;
and

(3) is adopted as part of the local government's official controls.

(b) A comprehensive wetland protection and management plan may:

(1) according to a procedure approved by the board, classify wetlands based on an assessment of:

(i) wetland functions, including floodwater retention, nutrient assimilation, sediment entrapment, groundwater recharge, low flow augmentation, aesthetics and recreation, commercial uses, wildlife and fisheries habitat, and education; and

(ii) the resulting public values;

(2) vary application of the sequencing standards of section 103G.222, paragraph (b), based on the classification; and

(3) in counties or watersheds having more than 80 percent of their presettlement wetland acreage, vary the replacement standards of section 103G.222, paragraphs (f) and (g), for specific wetland impacts provided there is no net loss of wetland function and public values and biological diversity.

(c) Upon approval of a comprehensive wetland protection and management plan by the board, the local government unit shall make replacement decisions based on the approved plan.

Sec. 5. Minnesota Statutes 1994, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. [EVALUATION.] Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and a technical professional with expertise in water resources management appointed by the local government unit. The panel shall use the "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989) "U.S. Army Corps of Engineers Wetland Delineation Manual" (January 1987). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan.

Sec. 6. Minnesota Statutes 1994, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. [NOTICE OF APPLICATION.] (a) Except as provided in paragraph (b), within ten days of receiving an application for approval of a replacement plan under this section, a ~~copy~~ summary of the application must be submitted ~~to the board~~ for publication in the Environmental Quality Board Monitor and separate copies of the complete application mailed to the members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed.~~ At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected natural resources.

(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be ~~submitted for publication in the Environmental Quality Board Monitor and separate copies~~ mailed to the members of the technical evaluation panel, individual members of the public who request a copy, and the managers of the watershed district, if applicable. ~~At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected~~ commissioner of natural resources.

(c) For the purpose of this subdivision, "application" includes a revised application for replacement plan approval and an application for a revision to an approved replacement plan if:

(1) the wetland area to be drained or filled under the revised replacement plan is at least ten percent larger than the area to be drained or filled under the original replacement plan; or

(2) the wetland area to be drained or filled under the revised replacement is located more than 500 feet from the area to be drained or filled under the original replacement plan.

Sec. 7. Minnesota Statutes 1994, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF DECISION.] (a) ~~Except as provided in paragraph (b),~~ At least 30 ten days prior to the effective date of the approval or denial of a replacement plan under this section, a ~~copy~~ summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the board members of the technical evaluation panel, individual members of the public who request a copy, ~~the board of supervisors of the soil and water conservation district, the managers of the watershed district if one exists, the board of county commissioners, and the commissioner of agriculture, and the mayors of the cities within the area watershed~~ natural resources. Notice in the Environmental Quality Board Monitor is not required for projects involving the draining or filling of less than 10,000 square feet of wetlands.

(b) ~~Within ten days of the decision approving or denying a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, individual members of the public who request a copy, the members of the technical evaluation panel, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.~~

Sec. 8. Minnesota Statutes 1994, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] Appeal of ~~the~~ a replacement plan, exemption, or no-loss decision may be obtained by mailing a ~~notice of appeal~~ petition to the board within ~~30~~ 15 days after the postmarked date of the mailing specified in subdivision 7. The local government unit may require the petitioner to post a bond in an amount not to exceed \$500. If appeal is not sought within 30 15 days, the decision becomes final. Appeal may be made by the wetland owner, by any of those to whom notice is required to be mailed under subdivision 7, or by 100 residents of the county in which a majority of the wetland is located. Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that the appeal is meritless, trivial, or brought solely for the purposes of delay; that the petitioner has not exhausted all local administrative remedies; or that the petitioner has not posted a bond if required by the local government unit. In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal. All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Sec. 9. Minnesota Statutes 1994, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. [REPLACEMENT CREDITS.] (a) Except as provided in paragraphs (b) and (c) or in a comprehensive wetland protection and management plan adopted under section 103G.2242, subdivision 1a, no public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

~~This subdivision~~ (b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) A wetland covered by section 103G.2241, paragraph (a), clause (9), may be used for replacement statewide.

(d) Notwithstanding section 103G.222, paragraph (i), the following areas are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) an area of permanent vegetative cover reestablished on a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price supports or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) a buffer area of permanent vegetative cover established on upland adjacent to a wetland, if the upland buffer area was established at the time of wetland replacement; and

(3) a water quality treatment pond constructed to pretreat stormwater runoff prior to discharge to a wetland, if the water quality treatment pond was constructed at the time of wetland replacement.

Replacement credit under clause (1) may not exceed 50 percent of the total area of reestablished vegetative cover. Replacement credits under clauses (2) and (3) may be used only for replacement above a one-to-one ratio.

Sec. 10. Minnesota Statutes 1994, section 103G.237, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] (a) The board shall award compensation in an amount equal to the greater of:

(1) 50 percent of the value of the wetland, calculated by multiplying the acreage of the wetland by the greater of:

(1) (i) the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made; or
(2) (ii) the assessed value per acre of the parcel containing the wetland, based on the assessed value of the parcel as stated on the most recent tax statement; or

(2) \$200 per acre of wetland subject to the replacement plan, increased or decreased by the percentage change of the assessed valuation of land in the township where the wetland is located from the 1995 valuation.

(b) A person who receives compensation under paragraph (a) shall convey to the board a permanent conservation easement as described in section 103F.515, subdivision 4. An easement conveyed under this paragraph is subject to correction and enforcement under section 103F.515, subdivisions 8 and 9.

Sec. 11. Minnesota Statutes 1994, section 103G.237, is amended by adding a subdivision to read:

Subd. 5. [COMPENSATION CLAIMS AGAINST LOCAL GOVERNMENT UNITS.] (a) At the request of a local government unit against which a compensation action is brought based at least in part on the local government unit's application of section 103G.222, 103G.2241, 103G.2242, 103G.237, or 103G.2372, or rules adopted by the board to implement these sections, the state, through the attorney general, shall intervene in the action on behalf of the local government unit and shall thereafter be considered a defendant in the action. A local government unit making a request under this paragraph shall provide the attorney general with a copy of the complaint as soon as possible after being served. If requested by the attorney general, the court shall grant additional time to file an answer equal to the time between service of the complaint on the local government unit and receipt of the complaint by the attorney general.

(b) The state is liable for costs, damages, fees, and compensation awarded in the action based on the local government's adoption or implementation of requirements that are required by state law.

(c) For the purposes of this subdivision, "compensation action" means an action in which the plaintiff seeks compensation for a taking of private property under the state or federal constitution or a similar action under a state or federal statute.

Sec. 12. Minnesota Statutes 1994, section 103G.2372, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER OF NATURAL RESOURCES ENFORCEMENT.~~] (a) The commissioner of natural resources, conservation officers, and peace officers shall enforce laws preserving and protecting wetlands. Sheriffs shall enforce ordinances implementing comprehensive wetland protection and management plans adopted under section 103G.2242, subdivision 1a. The commissioner of natural resources, a conservation officer, or a peace officer, or for an ordinance violation the sheriff, may issue a cease and desist order to stop any illegal activity adversely affecting draining or filling of a wetland. In the order, or by separate order, the commissioner, conservation officer, or peace officer may require restoration or replacement of the wetland, as determined by the local soil and water conservation district or as otherwise provided by a comprehensive wetland protection and management plan. The soil and water conservation district shall make its determination within 30 days after the cease and desist order or separate restoration order is issued.

(b) An order issued under this subdivision may be enforced under section 103G.141, subdivision 2.

Sec. 13. [USE OF BLOCK GRANTS FOR WETLAND PLANS.]

Natural resource block grants made under Laws 1993, chapter 172, section 6, may be used for development and implementation of comprehensive wetland protection and management plans under Minnesota Statutes, section 103G.2242, subdivision 1a.

Sec. 14. [STUDY OF WETLAND BANKING ALTERNATIVES; REPORT.]

The wetland heritage committee, under the auspices of the state comprehensive wetlands planning project, investigates alternative procedures and policies for improving the current wetland banking system in the state. The study must address ecological, hydrological, and economic aspects of wetland banking. The study and any recommendations must be reported to the appropriate policy committees of the legislature by January 1, 1997.

Sec. 15. [REPEALER.]

Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions relating to wetlands; amending Minnesota Statutes 1994, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1, 2, 6, 7, 9, 12, and by adding a subdivision; 103G.237, subdivision 4, and by adding a subdivision; and 103G.2372, subdivision 1; repealing Minnesota Statutes 1994, sections 103G.2242, subdivision 13; and 103G.2372, subdivisions 2 and 3."

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 787. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Merriam amendment.

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

Those who voted in the affirmative were:

Anderson	Frederickson	Krentz	Oliver	Riveness
Berglin	Hottinger	Laidig	Pappas	Robertson
Betzold	Johnson, J.B.	Marty	Piper	Spear
Chandler	Johnston	Merriam	Pogemiller	Terwilliger
Cohen	Kelly	Mondale	Price	Wiener
Finn	Knutson	Morse	Ranum	
Flynn	Kramer	Novak	Reichgott Junge	

Those who voted in the negative were:

Beckman	Hanson	Langseth	Murphy	Scheevel
Belanger	Janezich	Larson	Neuville	Solon
Berg	Johnson, D.E.	Lesewski	Olson	Stevens
Bertram	Johnson, D.J.	Lessard	Ourada	Stumpf
Chmielewski	Kiscaden	Limmer	Pariseau	Vickerman
Day	Kleis	Metzen	Sams	
Dille	Kroening	Moe, R.D.	Samuelson	

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

Mr. Lessard moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1994, section 84.035, subdivision 5, is amended to read:

Subd. 5. [ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS.] Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the following conditions:

(a) Except as provided in paragraph (b), all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate which would significantly modify or alter the peatland water levels or

flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including, but not limited to, the following prohibitions:

(1) construction of any new public drainage systems after the effective date of Laws 1991, chapter 354, or improvement or repair to a public drainage system in existence on the effective date of Laws 1991, chapter 354, under authority of chapter 103E, or any other alteration of surface water or ground water levels or flows unless specifically permitted under paragraph (b), clause (5) or (6);

(2) removal of peat, sand, gravel, or other industrial minerals;

(3) exploratory boring or other exploration or removal of oil, natural gas, radioactive materials or metallic minerals which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;

(4) commercial timber harvesting;

(5) construction of new corridors of disturbance, of the kind defined in subdivision 3, after June 5, 1991; and

(6) ditching, draining, filling, or any other activities which modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

(b) The following activities are allowed:

(1) recreational activities, including hunting, fishing, trapping, cross-country skiing, snowshoeing, nature observation, or other recreational activities permitted in the management plan approved by the commissioner;

(2) scientific and educational work and research;

(3) maintenance of corridors of disturbance, including survey lines and preparation of winter roads, consistent with protection of the peatland ecosystem;

(4) use of corridors of disturbance unless limited by a management plan adopted by the commissioner under subdivision 6;

(5) improvements to a public drainage system in existence on the effective date of Laws 1991, chapter 354, only when it is for the protection and maintenance of the ecological integrity of the peatland scientific and natural area and when included in a management plan adopted by the commissioner under subdivision 6;

(6) repairs to a public drainage system in existence on the effective date of Laws 1991, chapter 354, which crosses a peatland scientific and natural area and is used for the purposes of providing a drainage outlet for lands outside of the peatland scientific and natural area, provided that there are no other feasible and prudent alternative means of providing the drainage outlet. The commissioner shall cooperate with the ditch authority in the determination of any feasible and prudent alternatives. No repairs which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas shall be made unless approved by the commissioner;

(7) motorized uses ~~that are engaged in, on corridors~~ a corridor of disturbance, if the corridor existed on or before the effective date of Laws 1991, chapter 354;

(8) control of forest insects, disease, and wildfires, as described in a management plan adopted by the commissioner under subdivision 6; and

(9) geological and geophysical surveys which would not significantly modify or alter the

peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

Sec. 2. Minnesota Statutes 1994, section 84.035, subdivision 6, is amended to read:

Subd. 6. [MANAGEMENT PLANS.] The commissioner shall develop with the affected local government unit a management plan for each peatland scientific and natural area designated under section 84.036 in a manner prescribed by section 86A.09."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Chandler moved to amend the Lessard amendment to H.F. No. 787 as follows:

Page 3, line 3, after "354" insert ", provided that recreational motorized uses may occur only when the substrate is frozen"

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

The question was taken on the Lessard amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Lessard moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1994, section 103A.201, subdivision 2, is amended to read:

Subd. 2. [WETLANDS FINDINGS; PUBLIC INTEREST.] ~~(a) Wetlands identified in the state under section 103G.005, subdivision 19, do not:~~

- ~~(1) grant the public additional or greater right of access to the wetlands;~~
- ~~(2) diminish the right of ownership or usage of the beds underlying the wetlands, except as otherwise provided by law;~~
- ~~(3) affect state law forbidding trespass on private lands; and~~
- ~~(4) require the commissioner to acquire access to the wetlands.~~

(b) The legislature finds that the wetlands of Minnesota provide public value by conserving surface waters, maintaining and improving water quality, preserving wildlife habitat, providing recreational opportunities, reducing runoff, providing for floodwater retention, reducing stream sedimentation, contributing to improved subsurface moisture, helping moderate climatic change, and enhancing the natural beauty of the landscape, and are important to comprehensive water management, and that it is in the public interest to:

(1) achieve no net loss in the quantity, quality, and biological diversity of Minnesota's existing wetlands;

(2) increase the quantity, quality, and biological diversity of Minnesota's wetlands by restoring or enhancing diminished or drained wetlands;

(3) avoid direct or indirect impacts from activities that destroy or diminish the quantity, quality, and biological diversity of wetlands; and

(4) replace wetland values where avoidance of activity is not feasible and prudent."

Page 1, after line 20, insert:

"Sec. 4. Minnesota Statutes 1994, section 103G.205, is amended to read:

103G.205 [EFFECT OF PUBLIC WATERS DESIGNATION OR WETLANDS STATUS.]

(a) The ~~designation~~ status of waters of this state as public waters or wetlands does not:

(1) grant the public additional or greater right of access to the waters or wetlands;

(2) diminish the right of ownership or usage of the beds underlying the designated public waters, except as otherwise provided by law;

(3) alter the private nature of the real property for purposes of laws forbidding trespass on private land;

(4) alter the application of common law riparian rights;

(5) affect state law forbidding trespass on private lands; and or

(4) (6) require the commissioner to acquire access to the ~~designated~~ public waters or wetlands under section 97A.141.

(b) A person may not enter public waters or wetlands located on private land unless specifically authorized by law or the person, the state, or other entity has preexisting riparian rights of navigation or has acquired the right or permission to enter the public waters or wetlands from the landowner. Entering public waters or wetlands on private property without a right or permission from the landowner to enter is trespassing on private property and subject to penalty as provided by law."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend the Stumpf amendment to H.F. No. 787, adopted by the Senate April 28, 1995, as follows:

Page 1, line 37, delete everything after "land"

Page 2, line 1, delete "defined in section 103F.205"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Finn	Knutson	Novak	Reichgott Junge
Beckman	Flynn	Krentz	Oliver	Riveness
Belanger	Frederickson	Laidig	Pappas	Robertson
Berglin	Hottinger	Marty	Piper	Solon
Betzold	Johnson, J.B.	Merriam	Pogemiller	Spear
Chandler	Johnston	Mondale	Price	Wiener
Cohen	Kelly	Morse	Ranum	

Those who voted in the negative were:

Berg	Johnson, D.E.	Larson	Neuville	Stevens
Bertram	Johnson, D.J.	Lesewski	Olson	Stumpf
Chmielewski	Kiscaden	Lessard	Ourada	Terwilliger
Day	Kleis	Limmer	Pariseau	Vickerman
Dille	Kramer	Metzen	Sams	
Hanson	Kroening	Moe, R.D.	Samuelson	
Janezich	Langseth	Murphy	Scheevel	

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

Mr. Finn then moved to amend H.F. No. 787, as amended pursuant to Rule 49, adopted by the Senate April 21, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 19, line 31, after "county" insert "or authorized by the board under paragraph (d).

(d) If the board determines that there are reasonable grounds to believe that a county is not uniformly exercising enforcement powers and duties assumed under paragraph (c), the board shall authorize the commissioner to resume enforcement under paragraph (a)"

The motion prevailed. So the amendment was adopted.

H.F. No. 787 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 46 and nays 20, as follows:

Those who voted in the affirmative were:

Beckman	Hanson	Kroening	Neuville	Solon
Belanger	Hottinger	Langseth	Novak	Stevens
Berg	Janezich	Larson	Oliver	Stumpf
Bertram	Johnson, D.E.	Lesewski	Olson	Terwilliger
Chandler	Johnson, D.J.	Lessard	Ourada	Vickerman
Chmielewski	Kiscaden	Limmer	Pariseau	Wiener
Day	Kleis	Metzen	Pogemiller	
Dille	Knutson	Moe, R.D.	Sams	
Finn	Kramer	Mondale	Samuelson	
Frederickson	Krentz	Murphy	Scheevel	

Those who voted in the negative were:

Anderson	Flynn	Laidig	Pappas	Reichgott Junge
Berglin	Johnson, J.B.	Marty	Piper	Riveness
Betzold	Johnston	Merriam	Price	Robertson
Cohen	Kelly	Morse	Ranum	Spear

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1000:

H.F. No. 1000: A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; education excellence; other programs; miscellaneous provisions; libraries; state agencies; technology; conforming amendments; appropriating money; amending Minnesota Statutes 1994, sections 43A.316, subdivision 2; 62L.08, subdivision 7a; 116J.655; 120.062, subdivision 7; 120.064, subdivision 4; 120.101, subdivision 5c; 120.17, subdivisions 3a, 3b, and by adding a subdivision; 120.185; 120.74, subdivision 1; 120.75, subdivision 1; 121.11, subdivision 7c; 121.702, by adding a subdivision; 121.705; 121.706; 121.707, subdivisions 4, 6, and 7; 121.708; 121.709; 121.710; 121.885, subdivisions 1 and 4; 121.904, subdivisions 4a and 4c; 121.912, subdivisions 1, 1b, and 6; 121.935, subdivision 1; 122.21, subdivision 4; 122.23, subdivision 2; 122.242, subdivision 9; 122.895, subdivisions 1, 8, and 9; 122.91, subdivisions 1, 2, and 2a; 122.92, subdivision 1; 122.93, subdivision 1; 122.94, subdivision 1; 123.35, subdivision 19b; 123.351, subdivisions 1, 3, 4, and 5; 123.3514,

subdivisions 4d, 7, 8, and by adding a subdivision; 123.70, subdivision 8; 123.7991, subdivisions 2 and 3; 123.805, subdivisions 1 and 2; 124.14, by adding a subdivision; 124.17, subdivisions 1, 2f, and by adding a subdivision; 124.193; 124.195, subdivision 10, and by adding a subdivision; 124.2139; 124.214, subdivisions 2 and 3; 124.223, subdivision 7; 124.225, subdivisions 1, 3a, 7b, 7d, 7f, 8a, and 8m; 124.226, subdivisions 1 and 3; 124.243, subdivisions 2 and 8; 124.244, subdivisions 1, 4, and by adding a subdivision; 124.2455; 124.2711, subdivision 2a; 124.2713, subdivision 6; 124.2725, subdivisions 1, 3, 4, and 15; 124.2726, subdivision 1; 124.273, by adding subdivisions; 124.32, subdivisions 10 and 12; 124.321, subdivisions 1 and 2; 124.322; 124.323, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 2e; 124.574, subdivision 9, and by adding subdivisions; 124.83, subdivision 4; 124.84, subdivision 3; 124.91, subdivision 5; 124.916, subdivision 2; 124.95, subdivisions 2, 4, and 6; 124.961; 124A.03, subdivisions 1g and 1h; 124A.0311, subdivision 4; 124A.22, subdivisions 2, 2a, 4, 4a, 4b, 8a, and 9; 124A.225, subdivisions 4 and 5; 124A.23, subdivisions 1 and 4; 124A.24; 124A.29, subdivision 1; 124C.07; 124C.08, subdivision 2; 124C.45, subdivision 1; 124C.46, subdivision 2; 124C.48, subdivision 1; 125.62, subdivisions 1 and 7; 125.623, subdivision 2; 126.031, subdivision 1; 126.15, subdivision 2; 126.49, by adding a subdivision; 126.70, subdivision 2a; 126A.01; 126A.02, subdivision 2; 126B.01; 126B.03, subdivisions 2 and 3; 127.30, subdivision 2; 128A.02, subdivisions 1, 3, 5, and by adding a subdivision; 128A.021; 128A.022, subdivisions 1 and 6; 128A.024, subdivision 4; 128A.025, subdivisions 1 and 2; 128A.026; 128A.05, subdivisions 1 and 2; 128B.10, subdivision 1; 134.155; 134.34, subdivision 4a; 134.351, subdivision 4; 169.01, subdivision 6; 169.21, subdivision 2; 169.444, subdivision 2; 169.4502, subdivision 4; 169.4503, by adding a subdivision; 169.451, by adding a subdivision; 169.452; 169.454, subdivision 5, and by adding a subdivision; 171.01, subdivision 21; 171.18, subdivision 1; 171.321, subdivisions 3, 4, and 5; 171.3215, subdivisions 1, 2, and 3; 237.065; 631.40, subdivision 1a; Laws 1992, chapter 499, article 11, section 9, as amended; Laws 1993, chapter 224, article 8, section 21, subdivision 1; Laws 1993, chapter 224, article 12, section 32, as amended; Laws 1993, chapter 224, article 12, sections 39, and 41; Laws 1994, chapter 587, article 3, section 19, subdivision 1; Laws 1994, chapter 647, article 1, section 36; Laws 1994, chapter 647, article 3, section 25; Laws 1994, chapter 647, article 7, section 15; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; 125; 126; 126B; 127; 134; 136D; 169; 604A; repealing Minnesota Statutes 1994, sections 121.602, subdivision 5; 121.702, subdivision 9; 121.703; 123.58; 124.17, subdivision 1b; 124.243, subdivisions 2a and 9; 124.2714; 124.273, subdivisions 1b and 2c; 124.32, subdivisions 1b, 1c, 1d, 1f, 2, and 3a; 124.574, subdivisions 2b, 3, 4, and 4a; 124.91, subdivision 5; 124.912, subdivision 8; 124.914, subdivisions 2, 3, and 4; 124.962; 124A.04, subdivision 1; 124A.27, subdivision 11; 124A.29, subdivision 2; 124A.291; 124A.292; 125.138, subdivisions 6, 7, 8, 9, 10, and 11; 126.019; 126B.02; 126B.03; 126B.04; 126B.05; 128A.02, subdivisions 2 and 4; 128A.03; 268.9755; Laws 1991, chapter 265, article 5, section 23, as amended; Laws 1992, chapter 499, article 7, sections 16, 17, and 27.

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

Johnson, A.; Carlson; Bertram; Entenza and Ness have been appointed as such committee on the part of the House.

House File No. 1000 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 27, 1995

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1000, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1279: A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; computer matching; eliminating report requirements; imposing penalties; providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; providing for an information policy training program; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; appropriating money; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision; 13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.49; 13.50, subdivision 2; 13.551; 13.62; 13.671; 13.761; 13.77; 13.78; 13.79; 13.793; 13.82, subdivisions 3a, 5, 6, 10, and by adding a subdivision; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 17.117, subdivision 12; 41.63; 41B.211; 116O.03, subdivision 7; 116S.02, subdivision 8; 144.225, by adding a subdivision; 144.335, subdivision 2; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; and 446A.11, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13.76, subdivision 1; 13B.04; and Laws 1990, chapter 566, section 9, as amended.

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

Pages 36 to 39, delete article 3

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 9, delete from "providing" through page 1, line 10, to "program;"

Page 1, line 12, delete "appropriating money;"

Page 1, line 32, after the semicolon, insert "Laws 1993, chapter 192, section 110;"

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

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

S.F. No. 579: A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.501, subdivision 1; 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; proposing coding for new law in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

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

Page 8, delete section 12

Page 11, after line 18, insert:

"Sec. 16. [APPROPRIATION.]

\$75,000 for fiscal year 1996 and \$75,000 for fiscal year 1997 is appropriated from the general fund to the attorney general for the purpose of sections 1 to 15."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "proposing coding"

Page 1, delete line 10

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

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

H.F. No. 1037: A bill for an act relating to health; providing rulemaking authority; modifying enforcement and fee provisions; modifying the hearing instrument dispenser trainee period; providing penalties; amending Minnesota Statutes 1994, sections 144.414, subdivision 3; 144.417, subdivision 1; 144.99, subdivisions 1, 4, 6, 8, and 10; 144.991, subdivision 5; 326.71, subdivision 4; 326.75, subdivision 3a; and 326.78, subdivisions 2 and 9; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 144.877, subdivision 5; and 144.8781, subdivision 4; Laws 1989, chapter 282, article 3, section 28; and Laws 1993, chapter 286, section 11; Minnesota Rules, part 4620.1500.

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

Page 6, after line 32, insert:

"Sec. 10. [157.011] [RULES.]

Subdivision 1. [ESTABLISHMENTS.] The commissioner shall adopt rules establishing standards for food, beverage, and lodging establishments.

Subd. 2. [CERTIFICATION OF FOOD SERVICE MANAGERS.] The commissioner shall:

- (1) adopt rules for certification requirements for managers of food service operations; and
- (2) establish in rule, criteria for training and certification."

Page 9, line 10, delete from "Laws" through page 9, line 11, to "and"

Page 9, line 12, delete "are" and insert "is"

Page 9, line 14, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "chapter 144" and insert "chapters 144; and 157"

Page 1, line 13, delete from "Laws" through page 1, line 14, to "and"

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

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

S.F. No. 538: A bill for an act relating to state agencies; requiring the refund of license fees to certain applicants if licenses are not issued within six weeks; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Page 2, line 11, before the period, insert "and after any necessary inspection"

Page 2, line 21, before the semicolon, insert "or public notice"

Page 2, line 25, delete "or"

Page 2, line 27, before the period, insert ";

(5) following a specific timetable for issuance that is otherwise prescribed by law; or

(6) inspection during a period of open water"

Page 2, after line 30, insert:

"Subd. 4. [EFFECT ON LICENSE.] The refund of a fee as required by this section does not relieve the affected agency from its obligation to issue the license for which the fee was initially paid, if the other requirements for issuance of the license have been met."

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

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

S.F. No. 462: A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2; 115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivision 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapter 628, article 3, section 209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

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

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

S.F. No. 1362: A bill for an act relating to natural resources; providing for coordination of efforts of public and private sectors in the sustainable management, use, development, and protection of Minnesota's forest resources; establishing a forest resources council and regional forest resource committees; proposing coding for new law as Minnesota Statutes, chapter 89A.

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

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

S.F. No. 537: A bill for an act relating to drivers' licenses; requiring the refund of license fees to applicants who do not receive licenses, duplicate licenses, permits, or Minnesota identification cards within six weeks; requesting legislative audit commission evaluation of driver's license and identification card program; amending Minnesota Statutes 1994, sections 171.06, by adding a subdivision; and 171.07, subdivisions 1 and 3.

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

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

S.F. No. 845: A bill for an act relating to health; MinnesotaCare; expanding provisions of health care; establishing requirements for integrated service networks; modifying requirements for health plan companies; establishing the standard health coverage; repealing the regulated all-payer option; modifying universal coverage and insurance reform provisions; revising the research and data initiatives; expanding eligibility for the MinnesotaCare program; creating the prescription drug purchasing authority; establishing a drug purchasing benefit program for senior citizens; extending the health care commission and regional coordinating boards; making technical changes; reducing tax deductions for the voluntarily uninsured; providing penalties; amending Minnesota Statutes 1994, sections 13.99, by adding a subdivision; 16A.724; 60A.02, subdivision 1a; 60B.02; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4, and 5; 62A.10, subdivisions 1 and 2; 62A.65, subdivisions 5 and 8; 62D.02, subdivision 8; 62D.042, subdivision 2; 62D.11, subdivision 1; 62D.181, subdivisions 2, 3, 6, and 9; 62E.05; 62E.141; 62H.04; 62H.08; 62J.017; 62J.04, subdivisions 1a and 3; 62J.05, subdivisions 2 and 9; 62J.06; 62J.09, subdivisions 1, 2, 6, 8, and by adding a subdivision; 62J.152, subdivision 5; 62J.17, subdivision 4a; 62J.212; 62J.37; 62J.38; 62J.40; 62J.41, subdivisions 1 and 2; 62J.48; 62J.54; 62J.55; 62J.58; 62L.02, subdivisions 11, 16, 24, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.09, subdivision 1; 62L.12, subdivision 2; 62M.02, subdivision 12; 62M.07; 62M.09, subdivision 5; 62M.10, by adding a subdivision; 62N.02, by adding subdivisions; 62N.04; 62N.10, by adding a subdivision; 62N.11, subdivision 1; 62N.13; 62N.14, subdivision 3; 62N.25, subdivision 2; 62P.05, subdivision 4, and by adding a subdivision; 62Q.01, subdivisions 2, 3, 4, and by adding subdivisions; 62Q.03, subdivisions 1, 6, 7, 8, 9, 10, and by adding subdivisions; 62Q.07, subdivisions 1 and 2; 62Q.075, subdivision 4; 62Q.09, subdivision 3; 62Q.11, subdivision 2; 62Q.165; 62Q.17, subdivisions 2, 6, 8, and by adding a subdivision; 62Q.18; 62Q.19; 62Q.23; 62Q.25; 62Q.30; 62Q.32; 62Q.33, subdivisions 4 and 5; 62Q.41; 72A.20, by adding subdivisions; 136A.1355, subdivisions 3 and 5; 136A.1356, subdivisions 3 and 4; 144.1464, subdivisions 2, 3, and 4; 144.147, subdivision 1; 144.1484, subdivision 1; 144.1486, subdivision 4; 144.1489, subdivision 3; 151.48; 214.16, subdivisions 2 and 3; 256.9353, subdivisions 1 and 3; 256.9354, subdivisions 1, 4, 5, and by adding a subdivision; 256.9357, subdivisions 1, 2, and 3; 256.9358, subdivisions 3, 4, and by adding a subdivision; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, subdivision 3, and by adding subdivisions; 256B.0625, subdivision 30; 256B.69, subdivisions 2 and 4; 270.101, subdivision 1; 270B.14, subdivision 11; 295.50, subdivisions 3, 4, and 10a; 295.53, subdivisions 1, 3, and 4; 295.55, subdivision 4; and 295.57; Laws 1990, chapter 591, article 4, section 9; Laws 1994, chapter 625, article 5, sections 5, subdivision 1; 7; and 10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 62L; 62N; 62Q; 256; 256B; and 295; repealing Minnesota Statutes 1994, sections 62J.045; 62J.07, subdivision 4; 62J.09, subdivision 1a; 62J.152, subdivision 6; 62J.19; 62J.30; 62J.31; 62J.32; 62J.33; 62J.34; 62J.35; 62J.41, subdivisions 3 and 4; 62J.44; 62J.45; 62J.65; 62L.08, subdivision 7a; 62N.34; 62P.01; 62P.02; 62P.03; 62P.07; 62P.09; 62P.11; 62P.13; 62P.15; 62P.17; 62P.19; 62P.21; 62P.23; 62P.25; 62P.27; 62P.29; 62P.31; 62P.33; 62Q.03, subdivisions 2, 3, 4, 5, and 11; 62Q.21; 62Q.27; and 256.9353, subdivisions 4 and 5; Laws 1993, chapter 247, article 1, sections 12, 13, 14, 15, 18, and 19; Minnesota Rules, part 4685.1700, subpart 1, item D.

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

Page 34, after line 20, insert:

"Subd. 5c. [EXEMPTION.] Health coverage offered under section 43A.23 is exempt from compliance with section 62Q.19."

Page 35, line 13, after "options" insert "to the standard health coverage" and after "offered" insert "as defined"

Page 35, line 14, after the period, insert "Health plan companies may also offer, sell, issue, or renew coverages that do not meet the requirements of section 62Q.166, as long as those coverages meet all other statutory requirements."

Page 38, line 14, after "one" insert "applies to the standard health coverage under section 62Q.166, and"

Page 39, line 7, after "two" insert "applies to the standard health coverage under section 62Q.166, and"

Page 48, line 35, delete from "The" through page 49, line 2, to "(e)"

Pages 49 to 51, delete section 2

Pages 55 and 56, delete sections 4 to 6

Page 126, line 33, delete from "Upon" through page 126, line 35, to "services."

Page 127, delete section 42

Page 183, after line 23, insert:

"Sec. 13. Minnesota Statutes 1994, section 295.582, is amended to read:

295.582 [AUTHORITY.]

(a) A hospital, surgical center, pharmacy, or health care provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional expense transferred under this section by a wholesale drug distributor, may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The additional expense transferred to the third-party purchaser must not exceed two percent of the gross revenues received under the third-party contract, ~~plus~~ and two percent of copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A, 65B, 79, or 79A, or under section 471.61 or 471.617, must pay the transferred expense in addition to any payments due under existing contracts with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed under federal law. A third-party purchaser of health care services includes, but is not limited to, a health carrier, integrated service network, or community integrated service network that pays for health care services on behalf of patients or that reimburses, indemnifies, compensates, or otherwise insures patients for health care services. A third-party purchaser shall comply with this section regardless of whether the third-party purchaser is a for-profit, not-for-profit, or nonprofit entity. A wholesale drug distributor may transfer additional expense generated by section 295.52 obligations to entities that purchase from the wholesaler, and the entities must pay the additional expense. Nothing in this section limits the ability of a hospital, surgical center, pharmacy, wholesale drug distributor, or health care provider to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

(b) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall include with its annual renewal for certification of authority or licensure documentation indicating compliance with paragraph (a). If the commissioner responsible for regulating the third-party purchaser finds at any time that the third-party purchaser has not complied with paragraph (a), the commissioner may by order fine or censure the third-party purchaser or revoke or suspend the certificate of authority or license of the third-party purchaser to do business in this state. The third-party purchaser may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

(c) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall itemize, on each payment made to a hospital, surgical center, pharmacy, or health care provider for health care services, the amount representing the additional expense required to be paid by the third-party payer under paragraph (a)."

Page 184, after line 3, insert:

"ARTICLE 10

APPROPRIATIONS

Section 1. APPROPRIATIONS

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the health care access fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1996" and "1997" where used in this article mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1996, or June 30, 1997, respectively.

APPROPRIATIONS
Available for the Year
Ending June 30
1996 1997

Sec. 2. DEPARTMENT OF
HUMAN SERVICES

Health Care Access Fund	\$89,939,000	\$156,281,000
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Of the health care access fund appropriation, \$12,524,000 the first year and \$13,069,000 the second year is for administration and \$76,465,000 the first year and \$138,762,000 the second year is for the MinnesotaCare direct grants associated with the subsidized health care plan.

Receipts received as a result of federal participation pertaining to administrative costs of the MinnesotaCare health care reform waiver shall be deposited as nondedicated revenue to the health care access fund.

If the federal Health Care Financing Administration approves the section 1115 MinnesotaCare health care reform waiver, \$695,000 the first year and \$855,000 the second year of the appropriation is for administration of the waiver. None of these expenditures will be carried over to the base appropriation for the 1998-1999 biennium.

If federal approval is obtained to add a prescription drug coverage benefit for qualified Medicare beneficiaries and to charge a copayment for the benefit, under Minnesota Statutes, section 256B.057, subdivision 3, the commissioner of finance shall transfer \$3,100,000 of the health care access appropriation in fiscal year 1997 to the general fund and that amount is appropriated to the commissioner of human services.

Of the health care access appropriation, \$950,000 for the first year and \$1,350,000 for the second year is transferred to the state systems account established in Minnesota Statutes, section 256.014.

Sec. 3. DEPARTMENT OF
HEALTH

	7,065,000	6,868,000
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Summary by Fund

Health Care Access	6,652,000	6,311,000
State Government Special Revenue Fund	413,000	557,000

Fees collected from integrated service networks and community integrated service networks shall be deposited in the state government special revenue fund.

Sec. 4. UNIVERSITY OF MINNESOTA	2,357,000	2,357,000
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This appropriation is for rural and primary care physician programs.

Sec. 5. HIGHER EDUCATION COORDINATING BOARD	797,000	927,000
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This appropriation is for the loan forgiveness program.

Sec. 6. LEGISLATIVE COORDINATING COMMISSION	175,000	125,000
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This appropriation is for the operation of the legislative oversight commission on health care access and for associated staff.

Sec. 7. DEPARTMENT OF REVENUE	1,375,000	1,381,000
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This appropriation is for administration and monitoring of the provider tax.

Sec. 8. DEPARTMENT OF EMPLOYEE RELATIONS	1,000,000	-0-
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This appropriation is a loan for the Minnesota employees insurance program.

Sec. 9. DEPARTMENT OF COMMERCE	52,000	26,000
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This appropriation is for the recodification task force and for enforcement of associations and purchasing pools."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, delete from "reducing" through page 1, line 15, to "uninsured;"

Page 1, line 16, after the semicolon, insert "appropriating money;"

Page 2, line 12, delete "270B.14,"

Page 2, line 13, delete "subdivision 11;"

Page 2, line 15, delete "and" and after the second semicolon, insert "and 295.582;"

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

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

S.F. No. 1425: A bill for an act relating to taxation; providing for assessment of platted land in certain municipalities; amending Minnesota Statutes 1994, section 273.11, subdivision 14.

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

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

S.F. No. 1303: A bill for an act relating to the city of Richfield; authorizing the formation of nonprofit corporations for the purpose of owning low and moderate income housing developments.

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

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

S.F. No. 1451: A bill for an act relating to the city of Minneapolis; authorizing the city to establish special service districts within the city; amending Laws 1985, chapter 302, section 2, subdivision 1, as amended.

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

Mr. Merriam from the Committee on Finance, to which was re-referred the following appointment as reported in the Journal for April 11, 1995:

DEPARTMENT OF FINANCE
COMMISSIONER

Laura M. King

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for February 16, 1995:

METROPOLITAN COUNCIL
CHAIR

Curtis Johnson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred the following appointment as reported in the Journal for February 6, 1995:

METROPOLITAN COUNCIL

Neil Peterson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Vickerman from the Committee on Metropolitan and Local Government, to which were referred the following appointments as reported in the Journal for March 16, 1995:

METROPOLITAN COUNCIL

Charles W. Arnason
Terrence F. Flower

David Hartley
Martha Head
Kevin Howe
Carol A. Kummer
Patrick Leung
Esther Newcome
Roger Scherer
Bill Schreiber
Julius Smith
Mary Smith
Stephen B. Wellington, Jr.
Barbara Butts Williams
Diane Z. Wolfson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S.F. No. 1019: A bill for an act relating to metropolitan government; establishing the metropolitan livable communities advisory board; establishing the metropolitan livable communities fund and providing for fund distribution; reducing the levy authority of the metropolitan mosquito control commission; providing for certain revenue sharing; regulating employee layoffs by the metropolitan mosquito control district; amending Minnesota Statutes 1994, sections 116J.556; 473.167, subdivisions 2, 3, and by adding a subdivision; 473.702; 473.704, subdivisions 2, 3, 5, 6, 7, 8, 13, and 17; 473.711, subdivision 2; and 473F.08, subdivisions 5, 7a, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

METROPOLITAN LIVABLE COMMUNITIES ACT

Section 1. [473.25] [LIVABLE COMMUNITIES CRITERIA AND GUIDELINES.]

(a) The council shall establish criteria for uses of the fund provided in section 473.251 that are consistent with and promote the purposes of this article and the policies of the metropolitan development guide adopted by the council including, but not limited to:

(1) helping to change long-term market incentives that adversely impact creation and preservation of living-wage jobs in the fully developed area;

(2) creating incentives for developing communities to include a full range of housing opportunities;

(3) creating incentives to preserve and rehabilitate affordable housing in the fully developed area; and

(4) creating incentives for all communities to implement compact and efficient development.

(b) The council shall establish guidelines for the livable community demonstration account for projects that the council would consider funding with either grants or loans. The guidelines must provide that the projects will:

(1) interrelate development or redevelopment and transit;

(2) interrelate affordable housing and employment growth areas;

(3) intensify land use that leads to more compact development or redevelopment;

(4) involve development or redevelopment that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities;

(5) encourage public infrastructure investments which connect urban neighborhoods and suburban communities, attract private sector redevelopment investment in commercial and residential properties adjacent to the public improvement, and provide project area residents with expanded opportunities for private sector employment; or

(6) encourage publicly owned affordable housing units.

(c) The council shall establish guidelines governing who may apply for a grant or loan from the fund, providing priority for proposals using innovative partnerships between government, private for-profit, and nonprofit sectors.

(d) The council shall prepare an annual plan for distribution of the fund based on the criteria for project and applicant selection.

(e) The council shall prepare and submit to the legislature, as provided in section 3.195, an annual report on the metropolitan livable communities fund. The report must include information on the amount of money in the fund, the amount distributed, to whom the funds were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the council. The report may make recommendations to the legislature on changes to this act.

Sec. 2. [473.251] [FUND ESTABLISHED.]

Subdivision 1. [GENERAL.] The metropolitan livable communities fund is created and consists of the following accounts:

(1) the tax base revitalization account;

(2) the livable communities demonstration account; and

(3) the local housing incentives account.

Subd. 2. [TAX BASE REVITALIZATION ACCOUNT.] The council shall credit to a tax base revitalization account within the fund the amount, if any, provided for under section 473.167, subdivision 3a, paragraph (b), and the amount, if any, distributed to the council pursuant to section 473F.08, subdivision 3b. For the purposes of this subdivision, municipality means any county, town, or statutory or home rule charter city in the metropolitan area.

(a) The council must use the funds in the account to make grants to municipalities for the cleanup of polluted land in the metropolitan area. The council shall prescribe and provide the grant application form to municipalities. A site qualifies for a grant under this subdivision if the criteria specified in section 116J.554, subdivision 2, are met.

(b) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage commercial and industrial development that will lead to the preservation or growth of living-wage jobs and that enhance the tax base of the recipient municipality.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.57.

Subd. 3. [LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT.] The council shall credit to the livable communities demonstration account within the fund the revenues from the tax levied under this subdivision. The purpose of this account is to fund the initiatives specified in section 1, subdivision 4, paragraph (b). The council shall levy a tax on all taxable property in the

metropolitan area for the livable communities demonstration account. This tax shall be levied and collected in the manner provided by section 473.13. The levy shall not exceed the following amount for the years specified:

(a)(1) for taxes payable in 1996, 50 percent of (i) the metropolitan mosquito control commission's property tax levy limit for 1995 as determined under section 473.711, subdivision 2, multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year; and

(2) for taxes payable in 1997 and subsequent years, the product of (i) the property tax levy limit under this subdivision for the previous year multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located in the metropolitan area for the previous taxes payable year.

For the purposes of this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities under chapter 473F, tax increment financing under sections 469.174 to 469.179, and high voltage transmission lines under section 273.425.

(b) The metropolitan council, for the purposes of the fund, is considered a unique taxing jurisdiction for purposes of receiving aid pursuant to section 273.1398. For aid to be received in 1996, the fund's homestead and agricultural credit base shall equal 50 percent of the metropolitan mosquito control commission's certified homestead and agricultural credit aid for 1995, determined under section 273.1398, subdivision 2, less any permanent aid reduction under section 477A.0132. For aid to be received under section 273.1398 in 1997 and subsequent years, the fund's homestead and agricultural credit base shall be determined in accordance with section 273.1398, subdivision 1.

Subd. 4. [LOCAL HOUSING INCENTIVES ACCOUNT; DISTRIBUTION.] The council shall credit to the local housing incentives account within the fund the revenues distributed by a municipality under paragraph (c), clause (1), and the revenues distributed under section 3. The purpose of this account is to expand and preserve affordable and life-cycle housing opportunities. The funds in the account must be distributed annually by the council to municipalities:

(1) that have not met their affordable and life-cycle housing goals as determined by the council;

(2) are actively funding projects designed to help meet the goals; and

(3) whose contribution levy exceeds its distribution levy by more than \$200 per household according to the most recent population estimates determined by the metropolitan council.

The funds distributed by the council must be matched on a dollar-for-dollar basis by the municipality receiving the funds. When distributing funds in the account, the council must give priority to those municipalities that demonstrate the proposed project will link employment opportunities with affordable housing. For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area.

(a) The council shall negotiate with each municipality to establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the metropolitan council as provided in the adopted metropolitan development guide. The council shall establish affordable and life-cycle housing goals for each municipality by January 15, 1996. By June 30, 1996, each municipality shall identify to the council the actions it plans to take to meet the established housing goals. Beginning January 15, 1998, and annually thereafter, each municipality must report to the council the following:

(1) the tax revenues defined in paragraph (e) that were levied in the prior year;

(2) the portion of the revenues that were spent on meeting the municipality's affordable and life-cycle housing goals; and

(3) information on how the expenditures directly support the municipality's efforts to meet its affordable and life-cycle housing goals.

The council shall verify each municipality's compliance with this paragraph.

(b) A municipality that is determined by the council to have met its affordable and life-cycle housing goals in the previous year may retain the amount calculated under paragraph (e) to maintain existing affordable and life-cycle housing.

(c) A municipality that is determined by the council not to have met the affordable and life-cycle housing goals in the previous year, as negotiated and agreed to with the council, shall either: (1) distribute the amount calculated under paragraph (e) to the local housing incentives account; (2) distribute the amount calculated under paragraph (e) to the housing redevelopment authority of the county in which the municipality is located; or (3) retain the amount calculated under paragraph (e) to create affordable and life-cycle housing as approved by the council. A municipality may escrow the amount calculated under paragraph (e) for a period of up to three years. During the third year, the municipality must demonstrate to the council that it is expending the funds to create affordable and life-cycle housing opportunities. A municipality may enter into agreements with adjacent municipalities to cooperatively provide affordable and life-cycle housing. The housing may be provided in any of the cooperating municipalities, but must meet the combined housing goals of each participating municipality.

(d) If a municipality can demonstrate to the council that it is already expending an amount equal to or greater than the amount calculated under paragraph (e) on affordable and life-cycle housing, the municipality is not required to expend any additional levels to meet the affordable and life-cycle housing goals established under paragraph (a).

(e)(1) By July 1, 1996, each county assessor shall certify each municipality's average residential homestead limited market value for the 1994 assessment year, including the value of the farm house, garage, and one acre only in the case of farm homesteads, multiplied by a factor of two, as the municipality's "market value base amount." (2) By July 1, 1996, and each succeeding year, for each municipality, the county assessor shall determine which homesteads have market values in excess of the municipality's market value base amount and the county auditor shall certify the aggregate net tax capacity corresponding to the amount by which those homesteads' market values exceed the municipality's market value base amount as the "net tax capacity excess amount" for the assessment year corresponding to the current taxes payable year. By July 1, 1996, the county auditor shall also certify the net tax capacity excess amount for taxes payable in 1995. (3) By July 1, 1996, and each succeeding year, the county auditor shall also certify each municipality's local tax rate for the current taxes payable year. (4) By July 1, 1996, and each succeeding year, the county auditor shall certify for each municipality the amount equal to four percent of the municipality's current year total residential homestead tax capacity multiplied by the local tax rate. (5) By August 1, 1996, and each succeeding year, the metropolitan council shall notify each municipality of its "affordable and life-cycle housing opportunities amount" equal to the lesser of the amount certified under clause (4) or the amount, if any, by which the net tax capacity excess amount for the current year exceeds the amount for taxes payable in 1995 multiplied by the municipality's local tax rate certified in clause (3).

Sec. 3. [REVENUES CREDITED.]

The council shall credit \$1,000,000 of the proceeds of solid waste bonds issued by the council under Minnesota Statutes, section 473.831, before its repeal to the local housing incentives account in the metropolitan livable communities fund. In 1998 and thereafter, the council shall credit \$1,000,000 of the revenues generated by the levy authorized in Minnesota Statutes, section 473.249, to the local housing incentives account.

Sec. 4. [PROGRAM REPORT.]

The metropolitan council shall submit a report to the legislature by January 15, 2003, evaluating the metropolitan livable communities act. The report must include an accounting of the funds credited to the tax base revitalization account, the livable communities demonstration account, and the local housing incentives account, a summary of how the funds were spent, an analysis of the costs and benefits of the program, and recommendations for future legislative action regarding the program.

Sec. 5. [2025 REPORT.]

The metropolitan council shall report to the legislature by January 15, 1996, on the probable development patterns in and affecting the metropolitan area by the year 2025 under various scenarios, including the present course of growth versus directed, compact, and efficient development. The report should consider impacts on the greater metropolitan region, including within it counties in which five percent or more of residents commute to employment in the present metropolitan region or which are part of the metropolitan area as defined by the U.S. Department of Commerce Standard Metropolitan Statistical Area.

Sec. 6. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day after final enactment. Section 2 is effective for taxes levied in 1995 and payable in 1996, and subsequent years.

ARTICLE 2

MISCELLANEOUS AMENDMENTS

Section 1. Minnesota Statutes 1994, section 116J.552, subdivision 2, is amended to read:

Subd. 2. [CLEANUP COSTS.] "Cleanup costs" or "costs" ~~mean~~ means the cost costs of developing and implementing an approved a response action plan, but does not include implementation costs incurred before the award of a grant unless the application for the grant was submitted within 180 days after the response action plan was approved by the commissioner of the pollution control agency.

Sec. 2. Minnesota Statutes 1994, section 116J.555, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CYCLES; REPORTING TO LCWM.] (a) In making grants, the commissioner shall establish ~~regular~~ semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the legislative commission on waste management the grants awarded and appropriate supporting information describing each grant made. This report must be made 30 days after the grants are awarded.

(c) The commissioner shall annually report to the legislative commission on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year.

Sec. 3. Minnesota Statutes 1994, section 116J.556, is amended to read:

116J.556 [LOCAL MATCH REQUIREMENT.]

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least one-half of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least ~~48~~ five percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to ~~48~~ five percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous

substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

Sec. 4. Minnesota Statutes 1994, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3 and distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy proceeds distributed to the right-of-way acquisition loan fund pursuant to subdivision 3a, paragraph (a), for that year.

Sec. 5. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a and for the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3. This tax for the right-of-way acquisition loan fund and the tax base revitalization account shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, ~~except as otherwise provided in this subdivision.~~

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund and the tax base revitalization account shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area;

(c) for taxes payable in 1990, an amount not to exceed \$2,700,000; and

(d) for taxes payable in 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable in 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for taxes payable in 1988.

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund and tax base revitalization account in the metropolitan livable communities fund, under section 473.251, subdivision 3, for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

~~The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right of way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.~~

Sec. 6. Minnesota Statutes 1994, section 473.167, is amended by adding a subdivision to read:

Subd. 3a. [DISTRIBUTION OF TAX PROCEEDS.] (a) Right-of-way acquisition loan fund. Tax proceeds shall first be deposited into the right-of-way acquisition loan fund in an amount determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under subdivision 3.

(b) Metropolitan livable communities tax base revitalization account. Any tax proceeds not first deposited into the right-of-way acquisition loan fund shall be distributed to the tax base revitalization account in the metropolitan livable communities fund, established under section 473.251, subdivision 3.

Sec. 7. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

Subd. 2. [BUDGET; TAX LEVY.] (a) Budget. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision.

(b) Tax Levy. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections

473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (Simuliidae) control except under ~~sections 473.701 to 473.716~~ this section. The levy shall be in addition to other taxes authorized by law.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(i) for taxes payable in 1996, 50 percent of the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current ~~assessment~~ taxes payable year divided by the total market valuation of all taxable property located within the district for the previous ~~assessment~~ taxes payable year; and

(ii) for taxes payable in 1997 and subsequent years, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current taxes payable year divided by the total market valuation of all taxable property located within the district for the previous taxes payable year.

For the purpose of determining the commission's property tax levy limitation under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

(c) Homestead and Agricultural Credit Aid. For aids payable in 1996 and subsequent years, the commission's homestead and agricultural credit aid base under section 273.1398, subdivision 1, is permanently reduced by 50 percent of the amount certified to be received in 1995, less any permanent aid reduction in 1995 under section 477A.0132.

(d) Emergency Tax Levy. If the commissioner of the department of health declares a health emergency due to a threatened or actual outbreak of disease caused by mosquitos, disease vectoring ticks, or black gnats (Simuliidae), the commission may levy an additional tax not to exceed \$500,000 on all taxable property in the district to pay for the required control measures.

(e) Optional County Levy. A participating county may levy a tax in an amount to be determined by the county board for mosquito, disease vectoring tick, and black gnat (Simuliidae) nuisance control. If the county levies the tax for nuisance control, it must contract with the commission to provide for nuisance control activities within the county. The levy for nuisance control shall be in addition to other levies authorized by law to the county.

Sec. 8. Minnesota Statutes 1994, section 473F.08, subdivision 3a, is amended to read:

Subd. 3a. Beginning in 1987 and each subsequent year through 1998, the city of Bloomington shall determine the interest payments for that year for the bonds which have been sold for the highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g). Effective for property taxes payable in 1988 through property taxes payable in 1999, after the Hennepin county auditor has computed the areawide portion of the levy for the city of Bloomington pursuant to subdivision 3, clause (a), the auditor shall annually add a dollar amount to the city of Bloomington's areawide portion of the levy equal to the amount which has been certified to the auditor by the city of Bloomington for the interest payments for that year for the bonds which were sold for highway improvements. The total areawide portion of the levy for the city of Bloomington including the additional amount for interest repayment certified pursuant to this subdivision shall be certified by the Hennepin county auditor to the administrative auditor

pursuant to subdivision 5. The Hennepin county auditor shall distribute to the city of Bloomington the additional areawide portion of the levy computed pursuant to this subdivision at the same time that payments are made to the other counties pursuant to subdivision 7a. For property taxes payable from the year 2000 through 2009 in each of the first 15 years following retirement of all indebtedness incurred through the issuance of bonds and notes by the city of Bloomington and the Bloomington port authority to finance public improvements within the Mall of America tax increment financing district, the Hennepin county auditor shall adjust Bloomington's contribution to the areawide gross tax capacity upward each year by a value equal to ~~ten~~ $1/15$ th of 35 percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year.

Sec. 9. Minnesota Statutes 1994, section 473F.08, is amended by adding a subdivision to read:

Subd. 3b. [LIVABLE COMMUNITIES FUND.] (a) The Hennepin county auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g).

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin county auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin county auditor shall certify the amount calculated in paragraph (a).

(c) The metropolitan council may annually certify to the Ramsey county auditor the amount calculated under paragraph (b), or a lesser amount, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

(d) The Ramsey county auditor shall annually add a dollar amount to its areawide portion of the levy equal to the amount which has been certified in paragraph (c). The total areawide portion of the levy for Ramsey county, including the additional amount certified under paragraph (c), shall be certified by the Ramsey county auditor to the administrative auditor pursuant to subdivision 5.

(e) The Ramsey county auditor shall distribute the amount certified in paragraph (c) to the metropolitan council for the tax base revitalization account within the metropolitan livable communities fund, established under section 473.251, at the same time that payments are made to the other counties pursuant to subdivision 7a.

Sec. 10. Minnesota Statutes 1994, section 473F.08, subdivision 5, is amended to read:

Subd. 5. [AREAWIDE TAX RATE.] On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined under ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 11. Minnesota Statutes 1994, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. [CERTIFICATION OF VALUES; PAYMENT.] The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to ~~subdivision~~ subdivisions 3, clause (a), 3a, and 3b, within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 12. [MOSQUITO CONTROL COMMISSION EMPLOYEES.]

Employees of the metropolitan mosquito control commission covered under the terms of a

collective bargaining agreement as of March 1, 1995, may not be terminated by discharge, except for cause, before January 1, 1999. This act does not abrogate or change any rights enjoyed by the employees of the commission under the terms of a collective bargaining agreement that is in effect on March 1, 1995.

Sec. 13. [AMENDMENT OF GRANT APPLICATIONS.]

A development authority that, before the effective date of this section, submitted an application for a grant under Minnesota Statutes, sections 116J.551 to 116J.558, may, before the next application deadline, submit to the commissioner of trade and economic development an amended application based on the changes made by section 1.

Sec. 14. [REPEALER.]

Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35, are repealed.

Sec. 15. [CITATION.]

This act may be cited as "the metropolitan livable communities act."

Sec. 16. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [EFFECTIVE DATES.]

This article is effective the day after final enactment. Sections 5, 7, and 9 are effective for taxes levied in 1995 payable in 1996 and subsequent years."

Amend the title as follows:

Page 1, line 2, delete "establishing the"

Page 1, delete line 3

Page 1, line 10, after "sections" insert "116J.552, subdivision 2; 116J.555, subdivision 2;"

Page 1, line 11, delete everything after the semicolon

Page 1, delete line 12 and insert "473.711,"

Page 1, line 13, after "subdivisions" insert "3a,"

Page 1, line 15, before the period, insert "; repealing Minnesota Statutes 1994, sections 473.704, subdivision 15; 504.33; 504.34; and 504.35"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1279, 579, 538, 462, 1362, 537, 845, 1425, 1303 and 1451 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1037 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Riveness moved that the name of Ms. Berglin be added as a co-author to S.F. No. 750. The motion prevailed.

Messrs. Moe, R.D.; Johnson, D.E.; Stumpf and Larson introduced--

Senate Concurrent Resolution No. 9: A Senate concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring:

The Senate and House of Representatives shall meet in joint convention on Wednesday, May 3, 1995, at 12:00 noon, in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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. 1678: Messrs. Cohen, Merriam, Riveness, Frederickson and Metzen.

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

MEMBERS EXCUSED

Ms. Runbeck was excused from the Session of today. Ms. Ranum was excused from the Session of today from 1:50 to 2:10 p.m. Mr. Novak was excused from the Session of today from 2:10 to 3:10 p.m. Mr. Johnson, D.J. was excused from the Session of today from 1:00 to 2:00 p.m. Mr. Murphy was excused from the Session of today from 3:00 to 3:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, May 1, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

