

STATE OF MINNESOTA

# Journal of the Senate

SEVENTY-NINTH LEGISLATURE

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SEVENTY-SIXTH DAY

St. Paul, Minnesota, Friday, February 9, 1996

The Senate met at 8:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

Beckman	Hottinger	Langseth	Morse	Sams
Betzold	Janezich	Larson	Novak	Samuelson
Chandler	Johnson, J.B.	Lesewski	Ourada	Scheevel
Day	Johnston	Lessard	Pappas	Stevens
Dille	Kelly	Limmer	Piper	Stumpf
Finn	Kleis	Marty	Pogemiller	Vickerman
Flynn	Kramer	Metzen	Price	Wiener
Frederickson	Kroening	Moe, R.D.	Ranum	
Hanson	Laidig	Mondale	Robertson	

The President declared a quorum present.

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

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

February 7, 1996

The Honorable Allan H. Spear  
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1846.

Warmest regards,  
Arne H. Carlson, Governor

February 8, 1996

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 Act of the 1996 Session of the State Legislature has been received from the Office of the Governor and is 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 1996	Date Filed 1996
1846		266	3:00 p.m. February 7	February 7

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. 1862:** A bill for an act relating to state government; authorizing use of unmarked vehicles by the division of disease prevention and control of the department of health; providing that passenger vehicle classification license plates be issued for those vehicles; amending Minnesota Statutes 1994, section 16B.54, subdivision 2; Minnesota Statutes 1995 Supplement, section 168.012, subdivision 1.

Senate File No. 1862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 8, 1996

Mr. Moe, R.D. moved that S.F. No. 1862 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1704, 2154, 2634, 2152, 2385, 2558, 2155, 2681, 2682, 2188, 2112, 2415, 2420 and 2695.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 8, 1996

### FIRST READING OF HOUSE BILLS

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

**H.F. No. 1704:** A bill for an act relating to commerce; making various technical and conforming changes related to limited liability companies; regulating investment securities; amending Minnesota Statutes 1994, sections 322B.105; 322B.115, subdivisions 2, 3, and 4; 322B.125, subdivision 1; 322B.135, subdivision 3; 322B.145; 322B.15, subdivisions 1, 3, and 4; 322B.155; 322B.175; 322B.20, subdivision 2; 322B.30, subdivision 3; 322B.313, subdivision 2;

322B.33, subdivisions 4 and 9; 322B.34, subdivisions 1 and 3; 322B.346, subdivision 2; 322B.36, subdivisions 2 and 3; 322B.363, subdivision 1; 322B.373, subdivision 2; 322B.376; 322B.383, subdivision 1; 322B.386, subdivisions 4 and 7; 322B.40, subdivision 6; 322B.42, subdivisions 2 and 4; 322B.54, subdivision 1; 322B.56, subdivision 1; 322B.60, subdivision 2; 322B.643, subdivision 3; 322B.646; 322B.653; 322B.666, subdivision 2; 322B.693, subdivision 1; 322B.699, subdivision 6; 322B.72, subdivisions 2 and 3; 322B.75, subdivision 1; 322B.77, subdivision 1; 322B.803, subdivisions 1 and 2; 322B.813, subdivision 5; 322B.833, subdivisions 1, 2, and 4; Minnesota Statutes 1995 Supplement, sections 322B.12, subdivision 1; 336.8-103; and 336.8-603.

Referred to the Committee on Judiciary.

**H.F. No. 2154:** A bill for an act relating to manufactured homes; adding certain conditions for park owners to recover possession of land; amending Minnesota Statutes 1994, section 327C.09, subdivision 8.

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

**H.F. No. 2634:** A bill for an act relating to local government; providing for one additional chief deputy sheriff in the unclassified service in Hennepin county; amending Minnesota Statutes 1994, section 383B.32, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2324, now on the Consent Calendar.

**H.F. No. 2152:** A bill for an act relating to transportation; abolishing specific highway service sign program and directing commissioner of transportation to adopt rules to administer highway service signs; eliminating limitation on funding advances for completing county state-aid highways in cities; prohibiting motor vehicle from closely following ambulance responding to emergency; providing for turnbacks to local governments of legislative routes Nos. 232, 261, 300, 326, and 385; amending Minnesota Statutes 1994, sections 162.08, subdivision 5; 169.18, subdivision 8; and 169.59, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 160; repealing Minnesota Statutes 1994, sections 160.292, subdivisions 1, 2, 3, 4, 5, 8, 9, and 10; 160.293; 160.294; 160.295; 160.296; and 160.297; Minnesota Statutes 1995 Supplement, section 160.292, subdivisions 6, 7, and 7a.

Referred to the Committee on Governmental Operations and Veterans.

**H.F. No. 2385:** A bill for an act relating to civil actions; establishing an evidentiary privilege for persons who preside at alternative dispute resolution; amending Minnesota Statutes 1994, section 595.02, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2084, now on General Orders.

**H.F. No. 2558:** A bill for an act relating to professions; modifying provisions governing the practice of nursing; amending Minnesota Statutes 1994, section 148.231, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2335.

**H.F. No. 2155:** A bill for an act relating to civil law; real property and probate; providing conditions for registered property applications and records; providing for the application of certain curative provisions; changing certain probate and trust provisions; providing standards for certain documents; amending Minnesota Statutes 1994, sections 357.18, by adding a subdivision; 501B.57; 508.06; 508.63; 508.66; 508.71, subdivision 3; 508.82; 508A.01, subdivision 3; 508A.06; 508A.63; 508A.66; 508A.71, subdivision 3; 508A.82; 508A.85, subdivision 3; 524.2-403; 524.3-708; 524.3-804; 559.215; and 559.216; Minnesota Statutes 1995 Supplement, sections 524.2-803; and 524.3-914; proposing coding for new law in Minnesota Statutes, chapter 507; repealing Laws 1994, chapter 447, section 2.

Referred to the Committee on Judiciary.

**H.F. No. 2681:** A bill for an act relating to port authorities; clarifying certain seaway port authority rights and responsibilities with respect to leases and management contracts; amending Minnesota Statutes 1994, section 469.056, subdivision 2.

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

**H.F. No. 2682:** A bill for an act relating to employment; modifying provisions governing school conference and activities leave; amending Minnesota Statutes 1994, section 181.9412.

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

**H.F. No. 2188:** A bill for an act relating to motor carriers; modifying and reorganizing provisions relating to allowable truck lengths and combinations; amending Minnesota Statutes 1994, sections 168.011, subdivisions 13 and 14; 168.013, subdivision 1e; 169.81, subdivision 2, and by adding a subdivision; and 169.86, subdivision 1; Minnesota Statutes 1995 Supplement, section 169.81, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2147, now on General Orders.

**H.F. No. 2112:** A bill for an act relating to the environment; authorizing establishment of municipal individual sewage treatment system and contaminated well loan programs; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

**H.F. No. 2415:** A bill for an act relating to housing; modifying procedures for allocating bonding authority to cities for single-family housing; making technical corrections; amending Minnesota Statutes 1994, sections 474A.061, subdivision 2b; 474A.131, subdivisions 1 and 1a; and 474A.14; Minnesota Statutes 1995 Supplement, sections 474A.061, subdivisions 2a and 2c; and 474A.091, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 474A.

Referred to the Committee on Taxes and Tax Laws.

**H.F. No. 2420:** A bill for an act relating to cities; authorizing the cities of Duluth, Proctor, Cloquet, Hermantown, Scanlon, and Thomson to establish a program to prevent the inflow and infiltration of storm water into each city's sanitary sewer system; authorizing each city to make loans and grants to property owners in connection with the program; providing for financing of the program.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2258.

**H.F. No. 2695:** A bill for an act relating to health; exempting acupuncturists from dietitian and nutritionist licensing requirements; amending Minnesota Statutes 1994, sections 148.622, subdivision 3; and 148.632, subdivision 1.

Referred to the Committee on Health Care.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2183. The motion prevailed.

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

**S.F. No. 2183:** A bill for an act relating to employee relations; modifying employee relations data practices; creating a selection process for certain civil service positions; modifying provisions and deadlines of a pilot project; allowing donation of accrued vacation leave to sick leave accounts; amending Minnesota Statutes 1994, section 43A.15, by adding a subdivision; Minnesota

Statutes 1995 Supplement, section 13.67; Laws 1995, chapter 248, article 13, section 2, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1994, section 43A.182.

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

Page 2, line 31, delete "which" and insert "that"

Page 2, line 32, after "attracts" insert "a sufficient number of" and before the semicolon, insert "to meet the needs of the civil service"

Page 3, line 27, delete "administrative" and after "procedures" insert "adopted under section 43A.04, subdivision 4"

Page 4, lines 14 and 21, delete "administrative" and after "procedures" insert "adopted under section 43A.04, subdivision 4"

Page 4, line 31, delete "Section 5 is" and insert "Sections 3 and 5 are"

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2489:** A bill for an act relating to highways; providing for hearings related to toll facilities; amending Minnesota Statutes 1994, section 160.85, by adding a subdivision.

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2320:** A bill for an act relating to drivers' licenses; changing codes for two types of driver's license; amending Minnesota Statutes 1994, sections 171.02, subdivision 2; 171.04, subdivision 2; 171.05, subdivision 1; 171.06, subdivision 3; 171.07, subdivisions 1b, 2, and 3a; 171.165, subdivision 5; and 171.321, subdivision 1; Minnesota Statutes 1995 Supplement, sections 171.02, subdivision 2a; 171.06, subdivision 2; and 171.30, subdivision 3.

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2331:** A bill for an act relating to transportation; providing that certain watershed permits apply to the department of transportation; amending Minnesota Statutes 1994, section 103D.345, by adding a subdivision.

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

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

**S.F. No. 2529:** A bill for an act relating to government efficiency; extending the effective period of certain exemptions granted by the board of government innovation and cooperation; granting independent school district No. 2134, United South Central, a waiver from a law related to elections; amending Minnesota Statutes 1995 Supplement, section 465.797, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 465.797, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTIONS GRANTED IN 1995.] Notwithstanding subdivision 5, exemptions from enforcement of law granted by the board during calendar year 1995 remain in effect until June 30, 1999. This subdivision expires June 30, 1999.

Sec. 2. [SCHOOL DISTRICT.]

Notwithstanding Minnesota Statutes, section 205A.12, subdivision 5, independent school district No. 2134, United South Central, may elect two school board members from each of three election districts in the school district. If the school district chooses this option, the two members from each election district must serve staggered terms so that only one member from each election district will be scheduled for election in any year.

Sec. 3. [EFFECTIVE DATE.]

(a) Section 1 is effective the day following final enactment.

(b) Section 2 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of school district No. 2134, United South Central."

Amend the title as follows:

Page 1, line 7, delete "1995" and insert "1994"

Page 1, line 8, delete "Supplement" and after the second comma, insert "by adding a" and delete "5"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 2451:** A bill for an act relating to metropolitan government; authorizing the metropolitan airports commission to issue revenue bonds; amending Minnesota Statutes 1994, section 473.608, by adding a subdivision.

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

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

**S.F. No. 1902:** A bill for an act relating to the council on affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council; changing the name of the council on affairs of Spanish-speaking people; changing the composition and certain powers of the councils on affairs of Spanish-speaking people and Asian-Pacific Minnesotans; providing for appointments; providing for removal of members of the council on Asian-Pacific Minnesotans; removing the expiration date of all four councils; amending Minnesota Statutes 1994, sections 3.9223; 3.9226, subdivisions 1, 2, 3, and 5, and by adding a subdivision; and 15.059, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1994, section 3.922, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION; EXPENSES; ~~EXPIRATION.~~] Compensation of nonlegislator members is as provided in section 15.059, but the expiration dates provided in that section do not apply. Expenses of the council shall must be approved by two of any three members of the council designated by the council and then be paid in the same manner as other state expenses. The executive secretary shall inform the commissioner of finance in writing of the names of the persons authorized to approve expenses.

Sec. 2. Minnesota Statutes 1994, section 3.922, subdivision 8, is amended to read:

Subd. 8. [ADVISORY COUNCIL.] An advisory council on urban Indians ~~is created to shall~~ advise the board on the unique problems and concerns of Minnesota Indians who reside in urban areas of the state. The council ~~shall~~ must be appointed by the board and consist of five Indians residing in the vicinity of Minneapolis, St. Paul, and Duluth. At least one member of the council ~~shall~~ must be a resident of each city. The terms, compensation, and removal of members are as provided in section 15.059.

Sec. 3. Minnesota Statutes 1994, section 3.9223, is amended to read:

3.9223 [COUNCIL ON AFFAIRS OF SPANISH-SPEAKING CHICANO/LATINO PEOPLE.]

Subdivision 1. [MEMBERSHIP.] A The state council on affairs of Spanish-speaking Chicano/Latino people ~~is created to consist~~ consists of seven 11 members appointed by the governor, including eight members representing each of the state's congressional districts and three members appointed at large. The demographic composition of the council members ~~shall~~ must accurately reflect the demographic composition of Minnesota's Spanish-speaking Chicano/Latino community, including migrant workers, as determined by the state demographer. Membership, terms, compensation, removal of members, and filling of vacancies are as provided in section 15.0575, but the council's expiration date is governed by section 15.059, subdivision 5. Compensation of members is as provided in section 15.059, subdivision 3. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the committee on rules and administration shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.

Subd. 2. [SPANISH-SPEAKING CHICANO/LATINO PEOPLE.] For purposes of subdivisions 3 to 7, the term "Spanish-speaking Chicano/Latino person" means a person who ~~uses Spanish as a primary method of communication or who is a spouse of a person who does~~ was born in, or whose ancestors are from, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Panama, Paraguay, Puerto Rico, Uruguay, or Venezuela.

Subd. 3. [DUTIES.] The council shall:

(a) (1) advise the governor and the legislature on the nature of the issues ~~and disabilities~~ confronting Spanish-speaking Chicano/Latino people in this state, including the unique problems encountered by Spanish-speaking Chicano/Latino migrant agricultural workers;

(b) (2) advise the governor and the legislature on statutes or rules necessary to ensure Spanish-speaking Chicano/Latino people access to benefits and services provided to people in this state;

(c) (3) recommend to the governor and the legislature legislation to improve the economic and social condition of Spanish-speaking Chicano/Latino people in this state;

(d) (4) serve as a conduit to state government for organizations of Spanish-speaking Chicano/Latino people in the state;

(e) (5) serve as a referral agency to assist Spanish-speaking Chicano/Latino people to secure access to state agencies and programs;

(f) (6) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Spanish-speaking Chicano/Latino people of this state;

(g) (7) perform or contract for the performance of studies designed to suggest solutions to problems of Spanish-speaking Chicano/Latino people in the areas of education, employment, human rights, health, housing, social welfare, and other related programs;

(h) (8) implement programs designed to solve problems of Spanish-speaking Chicano/Latino people when authorized by other statute, rule, or order;

(i) (9) review data provided by the commissioner of human services under section 257.072, subdivision 5, and present recommendations on the out-of-home placement of children of Hispanic people. ~~Recommendations must be presented to the commissioner and the legislature by February 1, 1990; November 1, 1990; and November 1 of each year thereafter; and~~

(j) (10) publicize the accomplishments of Spanish-speaking Chicano/Latino people and their contributions to this state.

Subd. 4. [REVIEW AND RECOMMENDATION AUTHORITY.] All applications for the receipt of federal money and proposed rules of a state agency ~~which~~ that will have their primary effect on Spanish-speaking Chicano/Latino people ~~shall~~ must be submitted to the council for review and recommendation at least 15 days before submission to a federal agency or initial publication in the State Register.

Subd. 5. [POWERS.] The council may contract in its own name. Contracts ~~shall~~ must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The council shall appoint, ~~subject to the approval of the governor,~~ an executive director who is experienced in administrative activities and familiar with the problems and needs of Spanish-speaking Chicano/Latino people. The council may delegate to the executive director powers and duties under this section ~~which~~ that do not require council approval. The executive director and council staff serve in the unclassified service. The executive director may be removed at any time by a majority vote of the entire council. The executive director shall recommend to the council the appropriate staffing necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services.

Subd. 6. [STATE AGENCY ASSISTANCE.] Other state agencies shall supply the council upon request with advisory staff services on matters relating to the jurisdiction of the council. The council shall cooperate and coordinate its activities with other state agencies to the highest possible degree.

Subd. 7. [REPORT.] The council shall prepare and distribute a report to the governor and legislature by November 15 of each even-numbered year. The report shall summarize the activities of the council since its last report, list receipts and expenditures, identify the major problems and issues confronting Spanish-speaking Chicano/Latino people, and list the specific objectives ~~which~~ that the council seeks to attain during the next biennium.

Sec. 4. Minnesota Statutes 1994, section 3.9225, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state council on Black Minnesotans consists of 11 members appointed by the governor. The members of the council must be broadly representative of the Black community of the state and include at least five males and at least five females. Membership terms, compensation, removal of members, and filling of vacancies for nonlegislative members are as provided in section ~~15.059~~ 15.0575, but the council's expiration date is governed by section 15.059, subdivision 5. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the committee on rules and administration shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.



Sec. 5. Minnesota Statutes 1994, section 3.9226, subdivision 1, is amended to read:

Subdivision 1. [CREATION MEMBERSHIP.] The state council on Asian-Pacific Minnesotans consists of ~~15~~ 23 members. ~~Eleven~~ Nineteen members are appointed by the governor and must be broadly representative of the Asian-Pacific community of the state. ~~The governor shall appoint two additional members in 1992, one each representing the communities of people from Malaysia and Sri Lanka, and six more additional members in 1993, one each representing the communities of people from Afghanistan, Bangladesh, Myanmar, Pakistan, Singapore, and Tibet, so that after 1993 the council consists of 23 members with 19 appointed by the governor.~~ Each Asian-Pacific ethnic community from the area described in subdivision 2 may be represented by no more than one council member. In making appointments, the governor shall consider an appointee's proven dedication and commitment to the Asian-Pacific community and any special skills possessed by the appointee that might be beneficial to the council, including at a minimum experience in public policy, legal affairs, social work, business, management, or economics. Terms, compensation, removal, and filling of vacancies for appointed members are as provided in section ~~15.059~~ 15.0575, but the council's expiration date is governed by section 15.059, subdivision 5. Two members of the house of representatives appointed under the rules of the house of representatives and two members of the senate appointed under the rules of the senate shall serve as nonvoting members of the council. In making legislative appointments, the speaker of the house of representatives and the subcommittee on committees of the committee on rules and administration of the senate shall consult with the council in an effort to select appointees knowledgeable and interested in the affairs of the Asian-Pacific community. The council shall annually elect from its membership a chair and other officers it deems necessary. The council shall encourage Asian-Pacific ethnic communities and organizations to designate persons to serve as liaisons with the council. Liaisons may participate in council meetings, but may not vote, and may serve on council committees.

The council shall adopt rules to implement designation of Asian-Pacific ethnic communities to be represented with seats on the council.

Sec. 6. Minnesota Statutes 1994, section 3.9226, subdivision 2, is amended to read:

Subd. 2. [DEFINITION.] For the purpose of this section, the term Asian-Pacific means a person whose ethnic heritage is from any of the countries in Asia east of, and including, Afghanistan, or the Pacific Islands.

Sec. 7. Minnesota Statutes 1994, section 3.9226, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure that Asian-Pacific people have access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people to secure access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community;

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and

~~(14) review data provided by the commissioner of human services under section 257.072, subdivision 5, and present recommendations on the out-of-home placement of Asian-Pacific children. Recommendations must be presented to the commissioner and the legislature by February 1, 1990; November 1, 1990; and November 1 of each year thereafter assist recent immigrants in adaptation into the culture and to promote the study of English as a second language.~~

Sec. 8. Minnesota Statutes 1994, section 3.9226, subdivision 5, is amended to read:

Subd. 5. [POWERS.] (a) The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(b) The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Asian-Pacific people. The council may delegate to the executive director powers and duties under this section that do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the council. ~~The executive director shall recommend to the council, and the council may~~ appoint the appropriate staff necessary to carry out the duties of the council. All staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services."

Delete the title and insert:

"A bill for an act relating to the council on affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council; changing the name of the council on affairs of Spanish-speaking people; changing the composition and certain powers of the councils on affairs of Spanish-speaking people and Asian-Pacific Minnesotans; providing for appointments; changing statutory references; eliminating an expiration date; amending Minnesota Statutes 1994, sections 3.922, subdivisions 3 and 8; 3.9223; 3.9225, subdivision 1; and 3.9226, subdivisions 1, 2, 3, and 5."

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

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

**S.F. No. 2484:** A bill for an act relating to economic development; authorizing the Brooklyn Park economic development authority to establish a distressed housing district and providing the conditions thereof.

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

Page 2, line 1, delete everything after "(iii)" and insert "were converted from home ownership to rental housing."

Page 2, line 14, delete "next" and insert "net"

Page 2, line 16, delete "and" and insert "minus"

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

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

**S.F. No. 2449:** A bill for an act relating to human services; allowing the state and county to establish a county store and continue the outdoor home chore assistance for seniors program; appropriating money.

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

Pages 1 and 2, delete section 1

Page 2, line 8, after "store" insert ", or enter into a partnership with a non-profit organization to operate a county store,"

Page 2, line 12, after "recipients" insert "already mandatory for participation in employment and training activities"

Page 2, delete lines 23 to 27

Page 2, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete from "and" through page 1, line 5, to "money"

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 2223:** A bill for an act relating to local government; granting the city of Minneapolis authority to negotiate certain trade and craft contracts for stagehands; amending Laws 1988, chapter 471, section 1, subdivisions 1, as amended, and 2, as amended; and section 2, as amended.

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

**Mr. Kelly from the Committee on Judiciary, to which was re-referred**

**S.F. No. 1702:** A bill for an act relating to civil actions; providing limits on liability of certain private corrections treatment facilities that receive patients under court or administrative order; proposing coding for new law in Minnesota Statutes, chapter 604A.

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

Page 1, line 18, after the period, insert "This section does not apply if the conduct of a facility was intentional or grossly negligent."

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

**Mr. Kelly from the Committee on Judiciary, to which was re-referred**

**S.F. No. 2418:** A bill for an act relating to the legislative auditor; requiring procedures for the appointment process; clarifying audit jurisdiction; protecting privacy of certain audit data; clarifying responsible officers to prosecute violations of law and recover public money; granting rights to witnesses in audit investigations; amending Minnesota Statutes 1994, sections 3.97, subdivisions 4, 5, 9, and 11; 3.971; 3.972; 3.974; 3.975; 3.978; 10.48; 37.06; 37.07; 85A.02, subdivision 5c; 192.551; 256E.05, subdivision 3a; 268.12, subdivision 8; 352.03, subdivision 6; 353.03, subdivision 3a; 353A.05, subdivision 1; 354.06, subdivision 2a; 360.015, subdivision 19; and 609.456; Minnesota Statutes 1995 Supplement, section 16B.42, subdivision 1; repealing Minnesota Statutes 1994, sections 3.973; 136A.29, subdivision 19; 256B.04, subdivision 11; 469.207, subdivision 1; 574.02; and 574.03.

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

**Mr. Kelly from the Committee on Judiciary, to which was referred**

**S.F. No. 1906:** A bill for an act relating to human rights; eliminating the requirement that charges filed with the commissioner be verified; amending Minnesota Statutes 1994, section 363.06, subdivision 1.

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

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

**S.F. No. 2337:** A bill for an act relating to utilities; regulating certain utility mergers; providing employees of public utilities notice of the sale of certain utility assets; requiring certain reports; amending Minnesota Statutes 1994, sections 216B.09, subdivision 1; 216B.16, subdivision 6; 216B.50, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Page 1, line 16, after "customers" insert "within the state"

Page 2, delete lines 4 to 6

Page 2, line 7, delete "3" and insert "2"

Page 4, lines 18 and 27, after "customers" insert "within the state"

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

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

**S.F. No. 2348:** A bill for an act relating to utilities; repealing obsolete rules relating to the 1986 Tax Reform Act; repealing Minnesota Rules, parts 7827.0100; 7827.0200; 7827.0300; 7827.0400; 7827.0500; and 7827.0600.

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

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

**S.F. No. 2494:** A bill for an act relating to military affairs; capital improvements; authorizing the issuance of state bonds; appropriating money.

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

Page 1, line 8, delete "\$6,460,000" and insert "\$330,000"

Page 1, line 9, after "for" insert "purchasing options for" and delete ", site"

Page 1, line 10, delete everything before "a" and insert "for"

Page 1, line 15, delete "\$6,460,000" and insert "\$330,000"

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

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

**S.F. No. 2311:** A bill for an act relating to health; establishing a process for assessing proposed health coverage mandates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 2, line 25, after "legislature" insert "no later than 180 days after the request"

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

**Mr. Moe, R.D. from the Committee on Agriculture and Rural Development, to which was referred**

**S.F. No. 2760:** A bill for an act relating to agriculture; providing an exception to alien ownership of agricultural land for production of timber and forestry products; amending Minnesota Statutes 1994, section 500.221, subdivision 2.

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

**Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred**

**S.F. No. 2491:** A bill for an act relating to ethics; changing the name of the ethical practices board to the board of public disclosure.

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

Page 1, line 8, after "of" insert "campaign finance and"

Amend the title as follows:

Page 1, line 3, after "of" insert "campaign finance and"

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

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

**S.F. No. 2120:** A bill for an act relating to insurance; providing a process for resolving state claims for certain landfill cleanup costs and associated damages with insurers; authorizing a direct action by the state for recovery from insurers after a reasonable opportunity for settlement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1994, section 115B.46; Minnesota Statutes 1995 Supplement, section 115B.45.

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

Delete everything after the enacting clause and insert:

"Section 1. [115B.441] [INSURANCE CLAIMS SETTLEMENT AND RECOVERY PROCESS; FINDINGS AND PURPOSE.]

(a) The legislature finds that:

(1) insurers have issued certain insurance policies to their policyholders which may have provided coverage for environmental response costs related to qualified facilities for which their policyholders bear legal responsibility;

(2) because the commissioner is required by law to take over responsibility for environmental response actions relating to all qualified facilities, any rights to coverage based upon the insurers' contractual obligations to their policyholders to pay environmental response costs which are assumed by the state related to these facilities, to the extent such obligations may exist, are rights that should fairly accrue to the state; and

(3) the resolution of these potential insurance coverage rights should provide a fair share of the cost to the state of taking over these environmental responsibilities consistent with the insurers' potential coverage obligations to their policyholders.

(b) The purposes of sections 1 to 5 are:

(1) to provide the means for the state and insurers to resolve claims of the state for environmental response costs related to qualified facilities that may be covered by insurance policies of persons who bear legal responsibility for those costs; and

(2) to create a fair and efficient settlement process that provides insurers with an opportunity to settle claims based upon a reasonable approximation of the insurers' potential coverage exposure and a fair opportunity for the state to recover claims by legal action from nonsettling insurers.

Sec. 2. [115B.442] [SETTLEMENT PROCESS; INFORMATION GATHERING.]

Subdivision 1. [SELECTION OF QUALIFIED FACILITIES.] The commissioner and the attorney general shall select qualified facilities for which they intend to make offers of settlement to insurers under section 3. The first group of qualified facilities, consisting of not less than ten facilities, must be selected within 60 days after the effective date of this section. Upon selection of a qualified facility under this subdivision, the commissioner shall commence reasonable efforts to identify potential insurance policyholders and insurance coverage for the qualified facility in accordance with this section.

Subd. 2. [POTENTIAL INSURANCE POLICYHOLDER.] For the purpose of this section, "potential insurance policyholder" means a person who may bear legal responsibility for environmental response costs related to a qualified facility including the following:

(1) a person who has been the subject of a request for response action under section 115B.17, or an order under section 106 of the Federal Superfund Act with respect to a qualified facility;

(2) an owner or operator of a qualified facility;

(3) a person who engaged in commercial, industrial, or other activities generally known to produce waste containing a hazardous substance, or pollutant or contaminant, and whose waste was disposed of at a qualified facility; and

(4) a person who engaged in the business of hauling waste for disposal and who accepted waste from one or more persons of the type described in clause (3) for transport to a qualified facility.

Subd. 3. [IDENTIFICATION OF POTENTIAL INSURANCE POLICYHOLDERS.] The commissioner may request information from a person that the commissioner has reason to believe is a potential insurance policyholder or has information needed to identify potential insurance

policyholders. The recipient of the request shall provide to the commissioner any information in the person's possession, or which the person can reasonably obtain, that the commissioner requires to identify potential insurance policyholders for a qualified facility. An owner or operator of a qualified facility shall retain and preserve all documents and other information relevant to the identification of potential insurance policyholders for the qualified facility.

Subd. 4. [IDENTIFICATION OF INSURANCE COVERAGE.] The commissioner may request a person that the commissioner has reason to believe is a potential insurance policyholder to provide, and the recipient of the request shall provide to the commissioner, any information in the person's possession, or which the person can reasonably obtain, regarding the person's liability insurance coverage for environmental response costs related to a qualified facility. A potential insurance policyholder for which evidence of coverage has been identified shall cooperate with reasonable requests of the commissioner or the attorney general for assistance in preparing for and negotiating a settlement under this section or in preparing or pursuing a claim under section 4 related to that policyholder's coverage. The commissioner may contract for the services of persons qualified to reconstruct insurance policies and coverage from incomplete insurance information. The commissioner may authorize the attorney general to carry out all or a portion of the authority provided in this section.

Subd. 5. [IDENTIFICATION OF COVERAGE BY INSURERS.] The commissioner may request an insurer to make reasonable efforts to identify or confirm insurance coverage of any potential insurance policyholder identified under subdivision 4, or may direct the potential insurance policyholder to make this request of an insurer. An insurer that is requested to identify or confirm coverage of a potential insurance policyholder under this subdivision has 90 days after receiving the request to confirm coverage or to provide all information in the possession of the insurer that may assist in identifying coverage, and to explain the insurer's efforts to discover and provide such information. An insurer requested to provide information under this subdivision shall preserve all information relevant to the request until any claim relating to the request is resolved.

Subd. 6. [ENFORCEMENT.] Subdivisions 3 to 5 are enforceable under sections 115.071 and 116.072.

### Sec. 3. [115B.443] [SETTLEMENT PROCESS.]

Subdivision 1. [DETERMINATION OF FACILITY COSTS.] Beginning not later than one year after selection of a qualified facility under section 2, subdivision 1, the commissioner shall determine the current total estimated amount of environmental response costs incurred and to be incurred by the state for the qualified facility under sections 115B.39 to 115B.43, including reimbursement under section 115B.43.

Subd. 2. [SETTLEMENT OFFERS.] The attorney general and the commissioner shall select one or more insurers who have been identified by the commissioner as issuing coverage to persons identified under section 2 as potential insurance policyholders for a qualified facility and shall make settlement offers with respect to one or more of the qualified facilities to the selected insurers. The attorney general and the commissioner shall base the settlement offer on their evaluation of the potential coverage available for environmental response costs under policies issued by the insurer to persons identified as potential insurance policyholders for that qualified facility and on the total estimated costs for the qualified facility, as determined under subdivision 1. The attorney general shall provide written notice of the settlement to the insurer together with a written explanation of how the offer was calculated. The attorney general may exclude from a settlement offer claims relating to policyholders who are known by the attorney general to have claims against the insurer for coverage for environmental liabilities at locations other than qualified facilities, or who are actively litigating or settling claims against their insurers relating to any qualified facility.

Subd. 3. [SETTLEMENT NEGOTIATIONS; MEDIATION.] An insurer shall have 60 days after receipt of a settlement offer and written explanation from the state to evaluate the offer, after which the insurer, the commissioner, and the attorney general shall commence negotiations to attempt to reach a settlement with respect to the potential insurance coverage and qualified facilities subject to the settlement offer. The insurer shall have 180 days to negotiate and commit

to a settlement with the state before the attorney general may commence an action under section 4, unless the commissioner and the attorney general agree to extend the negotiation period upon request by the insurer made before expiration of the 180-day period. Any extension shall be limited to one additional 60-day period.

The attorney general, commissioner, and the insurer may agree to use any method of alternative dispute resolution for all or a portion of the issues in the negotiation, or may agree to negotiate all matters directly among themselves. If the parties do not agree in writing on the manner in which they will negotiate a settlement within 60 days after commencement of the negotiation period, the parties shall submit the negotiation of the settlement to mediation by an independent and neutral mediator selected by the Minnesota office of dispute resolution. The attorney general shall submit on behalf of all parties a request to the office of dispute resolution to appoint a mediator for the negotiations. The cost of mediation shall be divided equally between the state and the insurer.

Any settlement offer or any proposal, statement, or view expressed or document prepared in the course of negotiation under this section shall not be considered an admission by any party and shall not be admissible in evidence in any judicial proceeding affecting matters subject to settlement negotiation, provided that any matter otherwise admissible in a judicial proceeding is not made inadmissible by virtue of its use in negotiation under this section.

Subd. 4. [ADJUSTMENT FOR RETROSPECTIVE PREMIUMS.] A settlement that includes payment of any amount under a policy subject to a retrospective premium plan shall include terms which assure that the settlement does not result in the imposition of any retrospective premium on any policyholder. In negotiating with respect to any state offer of settlement which is based in whole or in part on coverage known to the insurer to be subject to a retrospective premium plan:

(1) the insurer shall calculate the amount of any retrospective premium that would result from payment of the state's settlement offer amount and shall disclose the calculation and the basis for it to the attorney general and the commissioner; and

(2) the attorney general and commissioner may reduce the settlement offer amount by the amount of the retrospective premium or agree to assume the obligation to pay the retrospective premium in order to assure that no retrospective premium is imposed on the policyholder.

Subd. 5. [OPTION TO SETTLE NATURAL RESOURCE DAMAGES.] An insurer who has received a settlement offer may request the attorney general and the commissioner to address in any settlement under this section natural resource damages related to qualified facilities subject to the settlement offer. The attorney general and the commissioner, after receiving a request under this subdivision, shall determine an amount to be added to the state's settlement offer that would be sufficient to address and resolve in the settlement any state claims for natural resource damages related to the qualified facilities subject to the settlement.

Subd. 6. [SETTLEMENT OPTION FOR ALL QUALIFIED FACILITIES.] If an insurer has entered settlements with the state under this section with respect to qualified facilities for which the aggregate amount of total estimated environmental response costs equals at least 60 percent of the total estimated environmental response costs for all qualified facilities as determined by the commissioner, the attorney general and the commissioner, upon request of the insurer, may settle with the insurer with respect to the remaining qualified facilities for the amount determined in this subdivision. The amount of the settlement for the remaining qualified facilities must be the amount that bears the same proportion to the total estimated costs for the remaining facilities that the amount payable under all of the insurer's existing settlements under this section bears to the aggregate of the total estimated costs for the qualified facilities subject to those settlements.

Subd. 7. [SCOPE OF RELEASE BY STATE; EFFECT OF SETTLEMENT.] Except for any claims excluded from the settlement process under section 3, subdivision 2, a settlement under this section shall release a settling insurer, and its policyholders to the extent of their insurance coverage under policies of that insurer, from all liability for all environmental response costs incurred and to be incurred by the state related to the qualified facility or facilities that are the subject of the settlement, including natural resource damages if addressed in the settlement. Except for claims excluded under section 3, subdivision 2, the settlement shall release a settling



insurer and its policyholders from liability as described in this subdivision under all insurance policies issued by the insurer, regardless of whether the policies or policyholders were identified by the commissioner or attorney general under section 2.

Subd. 8. [OTHER SETTLEMENT TERMS.] (a) An insurer who enters a settlement under this section is not liable for claims for contribution regarding matters addressed in the settlement. As a condition of settlement, an insurer shall waive its rights to seek contribution for any amounts paid in the settlement or to bring a subrogation action against any other person for any amounts paid in the settlement.

(b) Settlement under this section does not discharge the liability of an insurer that has not entered a settlement under this section nor of a person to whom a nonsettling insurer has issued insurance coverage to the extent of that coverage.

(c) No settlement offer, settlement, or negotiation under this section shall affect any joint and several liability for environmental response costs or damages related to the facility of any person whose liability has not been settled under this section.

(d) A settlement under this section or section 4, subdivision 2, paragraph (b), reduces the state's claims for environmental response costs, and natural resource damages if addressed in the settlement, related to qualified facilities subject to the settlement by the amounts paid to the state under the settlement for the facilities.

(e) A settlement agreement approved by the attorney general and the commissioner under this section shall be presumed to be a reasonable settlement of the state's claims.

Subd. 9. [REDUCTION OF OUTSTANDING COVERAGE.] Any amounts paid by an insurer pursuant to a judgment under section 4 or settlement under this section reduce the outstanding coverage available under policies of the insurer to the extent permitted under applicable law and policy provisions.

#### Sec. 4. [115B.444] [STATE ACTION AGAINST INSURERS.]

Subdivision 1. [STATE ACTION.] The state, by the attorney general, may bring a state action against any insurer for recovery of all environmental response costs incurred and to be incurred by the state, related to qualified facilities under sections 115B.39 to 115B.43, for which policyholders of the insurer may be liable. No assignment of any rights of a policyholder to the state and no judgment against the policyholder is required as a condition for the state bringing an action under this subdivision. The state shall make reasonable efforts to notify affected policyholders of the state's commencement of an action under this section. An affected policyholder may intervene in an action under this section. For purposes of this section, an "affected policyholder" means a policyholder whose rights under an insurance policy relevant to an action under this section may be affected by the action. All defenses available to a policyholder to any claim asserted or which could be asserted against it shall be available to the insurer in an action brought by the state under this subdivision. Any action under this subdivision shall vest with the state no greater rights than the rights of the individual policyholders under the provisions, terms, conditions, and limitations of the specific insurance policies on which the action is based. Before the attorney general may commence an action against an insurer under this subdivision, for any claims with respect to a qualified facility, the attorney general and the commissioner shall present to the insurer a written settlement offer, and shall provide the insurer with an opportunity to negotiate and enter a settlement with the state as provided in section 3. The attorney general may recover reasonable expenses and costs of litigation in an action brought under this section to the same extent as provided for an action under sections 115B.01 to 115B.17.

Subd. 2. [ACTIONS BY POLICYHOLDERS; STATE APPROVAL OF SETTLEMENTS.] (a) Except as provided in paragraph (b), nothing in sections 1 to 4 affects the right of a policyholder to bring or pursue any action against, or enter any settlement with, an insurer for any claims for which the state has a right of action against the insurer under this section and that have not been resolved by a settlement or judgment under this section. The state may intervene in an action in which a policyholder seeks to recover a claim for which the state has a right of action under this section.

(b) A policyholder may not enter a settlement that releases an insurer from any claims for which the state has an action under subdivision 1, unless the attorney general has given prior written approval to the settlement and the policyholder agrees to assign to the state any amounts recovered under the settlement from the insurer that are attributable to the resolution of the claims.

Sec. 5. [115B.445] [DEPOSIT OF PROCEEDS.]

All amounts paid to the state by an insurer pursuant to any settlement under section 3 or judgment under section 4 must be deposited in the state treasury and credited to the solid waste fund.

Sec. 6. [REPORT TO THE LEGISLATURE.]

The attorney general and the commissioner shall report to the finance division of the senate environment and natural resources committee and the house of representatives environment and natural resources finance committee by January 15, 1998, concerning the results achieved in carrying out the settlement and recovery process established under sections 1 to 5. The report must include any recommendations for further legislation that the attorney general and the commissioner believe will assist in the fair and efficient resolution of claims related to qualified facilities by the state and insurers.

Sec. 7. [APPROPRIATIONS.]

The following amounts are appropriated from the solid waste fund to carry out the provisions of sections 1 to 5, and are available until June 30, 1997:

(1) to the attorney general, \$.....; and

(2) to the commissioner of the pollution control agency, \$.....

Sec. 8. [REPEALER.]

Minnesota Statutes 1994, sections 115B.44, subdivision 1; and 115B.46; and Minnesota Statutes 1995 Supplement, sections 115B.44, subdivision 2; and 115B.45, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; providing a process for resolving state claims for certain landfill cleanup costs and associated damages with insurers; authorizing an action by the state for recovery from insurers after a reasonable opportunity for settlement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1994, sections 115B.44, subdivision 1; and 115B.46; Minnesota Statutes 1995 Supplement, sections 115B.44, subdivision 2; and 115B.45."

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

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

**S.F. No. 1875:** A bill for an act relating to health; eliminating certain health care taxes, surcharges, and assessments; establishing an assessment on health insurers, third-party administrators, health maintenance organizations, integrated service networks, and community integrated service networks; appropriating money; amending Minnesota Statutes 1994, sections 43A.317, subdivision 8; 60A.02, subdivision 3; 62C.01, subdivision 3; 62D.02, subdivision 4; 62D.181, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 5; and 62N.02, subdivisions 4a and 8; Minnesota Statutes 1995 Supplement, section 60A.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 295; and 256; repealing Minnesota Statutes 1994,

section 62E.11, subdivision 6; Minnesota Statutes 1995 Supplement, sections 62R.24; 256.9657, subdivision 3; and 256B.19, subdivision 1b.

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

Delete everything after the enacting clause and insert:

"Section 1. [STUDY OF HEALTH CARE ASSESSMENTS.]

(a) The Minnesota health care commission shall establish a task force to study and make recommendations for alternative funding mechanisms for the following health care taxes, surcharges, and assessments:

(1) the one percent premium tax imposed under Minnesota Statutes, section 60A.15, subdivision 1, paragraph (d);

(2) the Minnesota comprehensive health association assessment under Minnesota Statutes, section 62E.11;

(3) the health maintenance organization medical assistance surcharge under Minnesota Statutes, section 256.9657; and

(4) the 1.8 percent hospital intergovernmental transfer under Minnesota Statutes, section 256B.19.

(b) The task force shall consist of one person to be selected by the Minnesota comprehensive health association and the following members of the commission: one person representing a large employer; one person representing a small employer; one person representing a health maintenance organization; one person representing insurers regulated under chapter 62A; one consumer; and the commissioners of commerce and human services.

(c) The task force must develop more than one alternative funding mechanism and must prioritize its recommendations. The task force may not recommend any alternative that includes the use of money from the general fund or the health care access fund.

(d) The task force must cooperate with the legislative commission on health care access in developing its recommendations and must report its final recommendations to the legislative commission by November 5, 1996.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act directing the Minnesota health care commission to establish a task force to study health care taxes."

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

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

**S.F. No. 2445:** A bill for an act relating to natural resources; modifying provisions for aquatic farms; establishing a season for harvesting ripe wild rice; removing the residency requirement for youth hunting; permitting nonresident students to take big game; modifying priorities for the disposal of state hatchery eggs or fry; modifying the exception for trout and salmon stamps; modifying restrictions on taking sturgeon and paddlefish; removing certain provisions related to wild rice; amending Minnesota Statutes 1994, sections 17.4982, subdivisions 8, 10, 17, 21, and by adding a subdivision; 17.4984, subdivisions 2 and 7; 17.4985, subdivisions 2 and 3; 17.4986; 17.4988, subdivisions 2 and 4; 17.4991, subdivision 3; 17.4992, subdivisions 2 and 3; 17.4993,

subdivision 1; 97A.451, by adding a subdivision; 97A.455; 97C.203; 97C.305, subdivision 2; and 97C.411; Minnesota Statutes 1995 Supplement, section 97A.451, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1994, sections 84.09; and 84.14.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 14.387, is amended to read:

14.387 [LEGAL STATUS OF EXISTING EXEMPT RULES.]

A rule adopted on or before May 26, 1995, and which was not adopted under sections 14.05 to 14.28 or their predecessor provisions, does not have the force and effect of law on and after July 1, 1997, and the authority for the rule expires on that date.

This section does not apply to:

- (1) rules implementing emergency powers under sections 12.31 to 12.37;
- (2) rules of agencies directly in the legislative or judicial branches;
- (3) rules of the regents of the University of Minnesota;
- (4) rules of the department of military affairs;
- (5) rules of the comprehensive health association provided in section 62E.10;
- (6) rules of the tax court provided by section 271.06;
- (7) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public;
- (8) rules of the commissioner of corrections relating to the placement and supervision of inmates serving a supervised release term, the internal management of institutions under the commissioner's control, and rules adopted under section 609.105 governing the inmates of those institutions;
- (9) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;
- (10) opinions of the attorney general;
- (11) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;
- (12) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;
- (13) the occupational safety and health standards provided in section 182.655;
- (14) revenue notices and tax information bulletins of the commissioner of revenue;
- (15) uniform conveyancing forms adopted by the commissioner of commerce under section 507.09;
- (16) game and fish rules of the commissioner of natural resources adopted under section 84.027, subdivision 13, or sections 97A.0451 to 97A.0459; or
- (17) experimental and special management waters designated by the commissioner of natural resources under sections 97C.001 and 97C.005; or
- (18) game refuges designated by the commissioner of natural resources under section 97A.085.

Sec. 2. Minnesota Statutes 1994, section 97A.015, is amended by adding a subdivision to read:

Subd. 25a. [GUARDIAN.] "Guardian" means a legal guardian of a person under age 16, or a person 18 or older who has been authorized by the parent or legal guardian to supervise the person under age 16.

Sec. 3. Minnesota Statutes 1994, section 97A.401, subdivision 4, is amended to read:

Subd. 4. [TAKING WILD ANIMALS FROM GAME REFUGES, WILDLIFE MANAGEMENT, AND OTHER AREAS.] Special permits may be issued, with or without a fee, to take a wild animal from game refuges, wildlife management areas, state parks, controlled hunting zones, and other areas of the state that the commissioner may open for the taking of a wild animal during a special season or subject to special restrictions. In addition, an application fee may be charged for a special permit. Local units of government may charge an administrative fee in connection with special hunts under their jurisdiction. Fees to be collected shall be based upon the estimated cost of conducting the special season or administering the special restrictions.

Sec. 4. Minnesota Statutes 1995 Supplement, section 97A.451, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESIDENTS UNDER AGE 16; SMALL GAME.] (a) A person resident under age 16 may not obtain a small game license but may take small game by firearms or bow and arrow without a license if the person is a resident is:

(1) age 14 or 15 and possesses a firearms safety certificate;

(2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian; or

(3) age 12 or under and is accompanied by a parent or guardian.

(b) A resident under age 16 may take small game by trapping without a small game license, but a resident 13 years of age or older must have a trapping license. A resident under age 13 may trap without a trapping license.

Sec. 5. Minnesota Statutes 1994, section 97A.451, is amended by adding a subdivision to read:

Subd. 3a. [NONRESIDENTS UNDER AGE 16; SMALL GAME.] (a) A nonresident under age 16 may obtain a small game license at the resident fee if the nonresident:

(1) possesses a firearm safety certificate or equivalent document issued by the state of residence; or

(2) if age 13 or under, is accompanied by a parent or guardian when purchasing the license.

(b) A nonresident under age 13 must be accompanied by a parent or guardian to take small game.

Sec. 6. Minnesota Statutes 1994, section 97A.455, is amended to read:

97A.455 [NONRESIDENT STUDENTS; FISHING, SMALL GAME, AND ~~DEER~~ BIG GAME.]

(a) A nonresident that is a full-time student at an educational institution in the state and resides in the state during the school year may obtain a resident license to take fish ~~or~~, small game, or big game, except moose, by providing proof of student status and residence as prescribed by the commissioner.

(b) A nonresident that is a full-time foreign exchange student at a high school in the state and resides with persons in the state may obtain a resident license to take ~~deer by archery~~ big game, except moose, by providing proof of foreign exchange student status as prescribed by the commissioner.

Sec. 7. Minnesota Statutes 1994, section 97A.475, subdivision 30, is amended to read:

Subd. 30. [COMMERCIAL NETTING OF FISH IN INLAND WATERS.] The fee for a license to net commercial fish in inland waters, to be issued to residents and nonresidents, is \$70 plus:

- (1) for each hoop net pocket, \$1;
- (2) for each 1,000 feet of seine, \$16.50; and
- (3) for each helper's apprentice license, ~~\$5.50~~ \$25.

Sec. 8. Minnesota Statutes 1994, section 97A.475, subdivision 31, is amended to read:

Subd. 31. [COMMERCIAL NETTING OF FISH IN LAKE OF THE WOODS.] The fee for a license to commercially net fish in Lake of the Woods is:

- (1) for each pound net or staked trap net, \$49.50;
- (2) for each fyke net, \$11, plus \$5 for each two-foot segment, or fraction, of the wings or lead in excess of four feet in height;
- (3) for each 100 feet of gill net, \$2.75;
- (4) for each submerged trap net, \$16.50; and
- (5) for each helper's apprentice license, ~~\$16.50~~ \$25.

Sec. 9. Minnesota Statutes 1994, section 97A.475, subdivision 32, is amended to read:

Subd. 32. [COMMERCIAL NETTING OF FISH IN RAINY LAKE.] The fee for a license to commercially net fish in Rainy Lake is:

- (1) for each pound net, \$49.50;
- (2) for each 100 feet of gill net, \$2.75; and
- (3) for each helper's apprentice license, ~~\$16.50~~ \$25.

Sec. 10. Minnesota Statutes 1994, section 97A.475, subdivision 33, is amended to read:

Subd. 33. [COMMERCIAL NETTING OF FISH IN NAMAKAN AND SAND POINT LAKES.] The fee for a license to commercially net fish in Namakan Lake and Sand Point Lake is:

- (1) for each 100 feet of gill net, \$1.75;
- (2) for each pound, fyke, and submerged trap net, \$16.50; and
- (3) for each helper's apprentice license, ~~\$5.50~~ \$25.

Sec. 11. Minnesota Statutes 1994, section 97A.475, subdivision 34, is amended to read:

Subd. 34. [COMMERCIAL SEINE AND SET LINES TO TAKE FISH IN THE MISSISSIPPI RIVER.] (a) The fee for a license to commercially seine rough fish in the Mississippi river from St. Anthony Falls to the St. Croix river junction is:

- (1) for a seine not exceeding 500 feet, \$27.50; or
  - (2) for a seine over 500 feet, \$44, plus \$2 for each 100 foot segment or fraction over 1,000 feet.
- (b) The fee for each helper's apprentice license issued under paragraph (a) is ~~\$5.50~~ \$25.

Sec. 12. Minnesota Statutes 1994, section 97A.475, subdivision 35, is amended to read:

Subd. 35. [COMMERCIAL SEINING OF FISH IN WISCONSIN BOUNDARY WATERS.]

The fee for a license to commercially seine fish in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the Iowa border is:

- (1) for a seine not exceeding 500 feet, \$27.50; or
- (2) for a seine over 500 feet, \$44, plus \$2.50 for each 100 feet over 1,000 feet; and
- (3) for each helper's apprentice license to be issued to residents ~~and nonresidents, \$5.50, \$25.~~

Sec. 13. Minnesota Statutes 1994, section 97A.475, subdivision 36, is amended to read:

Subd. 36. [COMMERCIAL NETTING IN WISCONSIN BOUNDARY WATERS.] The fee for a license to commercially net in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border is:

- (1) for each gill net not exceeding 500 feet, \$14.50;
- (2) for each gill net over 500 feet, \$27.50;
- (3) for each fyke net and hoop net, \$11;
- (4) for each bait net, \$1.75;
- (5) for each turtle net, \$1.75;
- (6) for each set line identification tag, \$14.50; and
- (7) for each helper's apprentice license to be issued to residents ~~and nonresidents, \$5.50, \$25.~~

Sec. 14. Minnesota Statutes 1994, section 97A.475, subdivision 37, is amended to read:

Subd. 37. [COMMERCIAL NETTING OF FISH IN LAKE SUPERIOR.] The fee for a license to commercially net fish in Lake Superior is:

- (1) for each gill net, \$77 plus \$2 for each 1,000 feet over 1,000 feet;
- (2) for a pound or trap net, \$77 plus \$2 for each additional pound or trap net; and
- (3) for each helper's apprentice license, ~~\$5.50~~ \$25.

Sec. 15. Minnesota Statutes 1994, section 97A.535, is amended by adding a subdivision to read:

Subd. 2a. [QUARTERING OF DEER ALLOWED.] A deer that has been tagged as required in subdivision 1 may be quartered at the site of the kill. The animal's head must remain attached to one of the quarters. The quarters must be presented together for registration under subdivision 2 and must remain together until the deer is processed for storage.

Sec. 16. Minnesota Statutes 1994, section 97B.021, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS.] (a) Except as provided in this subdivision, a person under the age of 16 may not possess a firearm, unless accompanied by a parent or guardian.

(b) A person under age 16 may possess a firearm without being accompanied by a parent or guardian:

- (1) on land owned by, or occupied as the principal residence of, the person or the person's parent or guardian;
  - (2) while participating in an organized target shooting program with adult supervision;
  - (3) while the person is participating in a firearms safety program or traveling to and from class;
- or

(4) if the person is age 14 or 15 and has a firearms safety certificate.

~~(c) For purposes of this section a guardian is a legal guardian or a person age 18 or older that has been authorized by the parent or legal guardian to supervise the person under age 16.~~

Sec. 17. Minnesota Statutes 1994, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

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

(b) Except as provided in rules adopted under paragraph (c), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey and migratory birds, except when hunting with non-toxic shot, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange.

(c) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law Number 103-141.

Sec. 18. Minnesota Statutes 1994, section 97B.311, is amended to read:

97B.311 [DEER SEASONS AND RESTRICTIONS.]

(a) The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken, including hunter selection criteria for special hunts established under section 97A.401, subdivision 4. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

(1) taking with firearms, other than muzzle-loading firearms, between November 1 and December 15;

(2) taking with muzzle-loading firearms between September 1 and December 31; and

(3) taking by archery between September 1 and December 31.

(b) Notwithstanding paragraph (a), the commissioner may establish special seasons within designated areas between September 1 and January 15.

Sec. 19. Minnesota Statutes 1994, section 97C.035, subdivision 3, is amended to read:

Subd. 3. [TAKING OF FISH.] (a) The commissioner may, ~~by rule,~~ authorize residents to take fish:

(1) in any quantity;

(2) in any manner, except by use of seines, hoop nets, fyke nets, and explosives; and

(3) for personal use only, except rough fish may be sold.

(b) ~~In an emergency~~ The commissioner may authorize the taking of fish without publishing the rule if by posting notice is posted conspicuously along the shore of the waters and publishing a news release in a newspaper of general circulation in the area where the waters are located.

Sec. 20. Minnesota Statutes 1994, section 97C.305, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A trout and salmon stamp is not required to take fish by angling or to possess trout and salmon if:



(1) the person:

(i) possesses a license to take fish by angling for a period of 24 hours from the time of issuance under section 97A.475, subdivision 6, clause (5), or subdivision 7, clause (5); and ~~(2) the person~~

(ii) is taking fish by angling, or the trout or salmon were taken by the person, during the period the license is valid; or

(2) the person is taking fish, or the trout or salmon were taken by the person, as authorized under section 97C.035.

Sec. 21. Minnesota Statutes 1994, section 97C.411, is amended to read:

97C.411 [STURGEON AND PADDLEFISH.]

Lake sturgeon, shovelnose sturgeon, and paddlefish may not be taken, bought, sold, transported or possessed except as provided by rule of the commissioner. The commissioner may only allow the taking of these fish in waters that the state boundary passes through ~~except that a rule that applies and in tributaries~~ to the St. Croix river ~~must also apply to its tributaries~~.

Sec. 22. Minnesota Statutes 1994, section 97C.811, subdivision 6, is amended to read:

Subd. 6. [LICENSE INVALIDATION.] (a) A license to take commercial fish is void upon:

(1) the licensee's death;

(2) ~~sale of the commercial fishing business~~ cessation of commercial fishing operations within an assigned area, except as provided by paragraph (c);

(3) ~~removal of the commercial fishing business from the state;~~

(4) conviction of two or more violations of inland commercial fishing laws within a license period; or

(5) ~~(4)~~ failure to apply for a new or renewal license prior to June 15 of any year.

(b) A commercial inland fishing license is not subject to the license revocation provisions of section 97A.421. Commercial fishing rights and area assignments covered by a license that becomes void reverts to the commissioner for reassignment.

(c) A person possessing a valid inland commercial fishing license may apply to the commissioner for transfer of an assigned commercial fishing area to another person. Upon receipt of the application, the commissioner shall notify the applicant that the application for transfer has been received and shall determine if other people are interested in the assigned area by:

(1) notifying the inland commercial fish trade association in writing; and

(2) publishing notice in a newspaper of general circulation in the vicinity of the assigned area.

These notices must allow interested persons 30 days to notify the commissioner of their interest in the assigned area. Within 60 days after publishing notice, the commissioner shall review the qualifications of all interested persons and approve or deny the transfer based on the criteria in section 97C.815, subdivision 2. If the transfer is denied, the licensee may retain the license or request that it become void.

Sec. 23. Minnesota Statutes 1994, section 97C.815, subdivision 4, is amended to read:

Subd. 4. [INLAND COMMERCIAL FISHING TRADE ASSOCIATION; LICENSE PROBLEMS.] The commissioner shall consult with representatives of the inland commercial fishing trade association when disagreements arise in the areas of license issuance, problems with performance pursuant to the license, transfers of licenses, area assignments, and the entry of new commercial fishing operators into the inland commercial fishery.

Sec. 24. Minnesota Statutes 1994, section 97C.835, subdivision 1, is amended to read:

Subdivision 1. [COMMERCIAL FISHING LICENSE FOR LAKE SUPERIOR.] (a) A license to fish commercially in Lake Superior shall be issued ~~only to a resident who possesses 5,000 feet of gill net of mesh sizes permitted in subdivisions 4 and 5 or two pound nets, has maximum of 50 residents. To qualify for licensing, a resident must have landed fish in the previous year with a value of at least \$1,500, except for those state waters from Duluth to Silver Bay upon the discretion of the commissioner, and has must have engaged in commercial fishing for at least 50~~ 30 days of the previous year. ~~An applicant shall be issued a license without meeting these requirements if the applicant is 65 or more years of age and has held a license continuously since 1947. An applicant may be issued a license, at the discretion of the commissioner, if failure to meet these the requirements for the dollar value of fish landed or number of days fished resulted from illness or other mitigating circumstances, or the applicant has reached the age of 65 and has been licensed at least ten five of the previous 15 ten years. Persons receiving licenses under these provisions for applicants 65 years of age or more must be in attendance at the setting and lifting of nets. The commissioner may issue multiple licenses to individuals who meet these requirements and have held multiple licenses prior to 1978.~~

(b) A license may be issued to a resident who has not previously fished commercially on Lake Superior and has not been convicted of a game and fish law violation in the preceding three years, if the applicant:

(1) shows a bill of sale indicating the purchase of gear and facilities connected with an existing license;

(2) shows proof of inheritance of all the gear and facilities connected with an existing license; or

(3) has served at least two years as a ~~helper~~ an apprentice in a Minnesota Lake Superior licensed commercial fishing operation.

Sec. 25. Minnesota Statutes 1994, section 97C.835, subdivision 5, is amended to read:

Subd. 5. [GILL NETS; CISCOES.] Gill nets for taking ciscoes and chubs may not be less than 2-1/4 inch extension measure mesh and may not exceed 2-3/4 inch extension measure mesh except that smaller or larger mesh sizes may be used under a permit issued by the commissioner.

Sec. 26. Minnesota Statutes 1994, section 97C.841, is amended to read:

97C.841 [HELPER'S APPRENTICE LICENSE.]

~~A person assisting the holder of a master's license, in with a commercial fishing license may list one person as an apprentice on the license. A person acting as an apprentice for a commercial fishing licensee must have an apprentice license. The commercial fishing licensee or the apprentice listed on the license must be present at all commercial fishing operations including going to and from fishing locations, or in setting or lifting nets, or removing fish from nets, must have a helper's license, unless the person is the holder of a master's license. A person possessing an angling license may assist the holder of a master's or apprentice license in going to and from fishing locations, or in setting or lifting nets, or removing fish from nets.~~

~~A helper's~~ An apprentice license is transferable ~~from one helper to another~~ by the holder of a master's license applying to the commissioner.

Sec. 27. Laws 1995, chapter 220, section 137, is amended to read:

Sec. 137. [PUBLIC INPUT; REPORT.]

The commissioner of natural resources shall seek public input and comment on ~~sections section 135 and 136.~~ By March 1, 1996, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.

## Sec. 28. [REPEALER.]

Minnesota Statutes 1994, section 84.14; and Laws 1995, chapter 220, section 136, are repealed.

## Sec. 29. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The references in column C may be changed by the revisor to the section of Minnesota Statutes in which the bill sections are compiled.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
84.42	84.09	84.091
97A.025	84.09	84.091
97A.065	84.09	84.091 "

Delete the title and insert:

"A bill for an act relating to natural resources; clarifying status of game refuge designations; removing the residency requirement for youth hunting; permitting nonresident students to take big game; modifying provisions relating to special permits, commercial fishing, taking deer, blaze orange, trout and salmon stamps, and sturgeon and paddlefish; removing certain provisions relating wild rice; amending Minnesota Statutes 1994, sections 97A.015, by adding a subdivision; 97A.401, subdivision 4; 97A.451, by adding a subdivision; 97A.455; 97A.475, subdivisions 30, 31, 32, 33, 34, 35, 36, and 37; 97A.535, by adding a subdivision; 97B.021, subdivision 1; 97B.071; 97B.311; 97C.035, subdivision 3; 97C.305, subdivision 2; 97C.411; 97C.811, subdivision 6; 97C.815, subdivision 4; 97C.835 subdivisions 1 and 5; 97C.841; Minnesota Statutes 1995 Supplement, sections 14.387; and 97A.451, subdivision 3; Laws 1995, chapter 220, section 137; repealing Minnesota Statutes 1994, section 84.14; and Laws 1995, chapter 220, section 136."

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

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

**S.F. No. 2675:** A bill for an act relating to agriculture; establishing the Minnesota dairy producers board; allowing certain feedlots to operate without a permit; providing that certain local ordinances be submitted to the pollution control agency and the commissioner of agriculture for approval; providing for setbacks between feedlots and residences; appropriating money; amending Minnesota Statutes 1995 Supplement, section 116.07, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Page 1, delete section 1

Page 2, delete lines 16 to 36

Page 3, delete lines 1 and 2 and insert:

"Subd. 2. [APPOINTMENT; TERMS; COMPENSATION.] (a) The commissioner of agriculture shall appoint members to the board from statewide organizations representing dairy producers. To the extent practicable, the members must be selected to represent the broad diversity of Minnesota's dairy producers.

(b) The terms and compensation of members and reimbursement for their expenses is governed by section 15.059."

Renumber the sections in sequence

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

**Ms. Flynn from the Committee on Transportation and Public Transit, to which was referred**

**S.F. No. 2169:** A bill for an act relating to transportation; abolishing transportation regulation board; requiring report to legislature; amending Laws 1995, chapter 248, article 7, section 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1995 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative coordinating commission and the legislature as provided by section 3.855:

Salary Range

\$57,500-\$78,500

Commissioner of finance;

Commissioner of children, families, and learning;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

Commissioner of public safety;

Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of economic security;

Commissioner of employee relations;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of trade and economic development;

Chief administrative law judge; office of administrative hearings;

Commissioner, pollution control agency;

Director, office of environmental assistance;

Commissioner, housing finance agency;  
Executive director, public employees retirement  
association;  
Executive director, teacher's retirement association;  
Executive director, state retirement system;  
\$42,500-\$60,000

Commissioner of human rights;  
Commissioner, department of public service;  
Commissioner of veterans affairs;  
Commissioner, bureau of mediation services;  
Commissioner, public utilities commission;  
~~Member, transportation regulation board;~~  
Ombudsman for corrections;  
Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1994, section 169.26, is amended by adding a subdivision to read:

Subd. 4. Subdivisions 1 to 3 apply to all private and public railroad crossings within the state.

Sec. 3. Minnesota Statutes 1994, section 218.031, subdivision 8, is amended to read:

Subd. 8. [ORDERS AND RULES CONSIDERED FAIR AND REASONABLE.] In all proceedings under this section, any final and duly promulgated material order, rule or directive of the commissioner or board and all schedules of rates, fares or charges fixed by the board shall be deemed and taken in all courts as prima facie fair and reasonable.

Sec. 4. Minnesota Statutes 1994, section 218.041, subdivision 4, is amended to read:

Subd. 4. [~~BOARD~~ COMMISSIONER'S DUTIES UPON PETITION.] The board commissioner shall, upon petition:

~~(1) At all points of intersection and crossings of different railroads, or where two railroads are not more than one-half mile apart, and at all terminals, prescribe ample facilities by track connection, joint use of tracks, freight platforms and depots, warehouses, docks over which general merchandise is handled and forwarded, and other necessary appliances and conveniences for the transfer, forwarding and handling of general merchandise and parcel freight between such railroads and between such railroads and such docks, warehouses and vessels at such docks.~~

~~(2) Determine the proportionate share of each company in the cost of providing connecting and transfer facilities in the event the companies fail to agree.~~

~~(3) Direct construction, maintenance and operation at any points prescribed by law of all side tracks and reasonable facilities connecting any road with any grain warehouse or mill, dock, wharf, coal yard, quarry, brick or lime kiln, sand or gravel pit, crushed rock or concrete plant, or manufactory adjacent thereto, and prescribe the terms therefor.~~

~~(4) Prescribe reasonable rules for handling property, passenger, baggage, express and mail, partly over privately owned rights-of-way and partly over highways, so that reasonable and adequate accommodations and service may be afforded.~~

~~(5) Prescribe the extent to which any designated carrier, upon its petition, may be relieved from~~

~~the operation of the principles established by section 218.021, subdivision 1, clauses (5), (6) and (7).~~

~~(6),~~ direct the repair, reconstruction or replacement of any inadequate or unsafe trackage, structure or facility.

Upon receipt of a petition for action pursuant to this subdivision the ~~board~~ commissioner shall give notice to all persons known to it to have an interest in the matter and publish notice of the petition in the State Register. The ~~board~~ commissioner may grant the petition 30 days after notice has been fully made. If the ~~board~~ commissioner receives a written objection to the petition from any person within 20 days after the notice of filing has been fully made, the exemption shall be granted or denied only after a contested case hearing has been held on the matter. The ~~board~~ commissioner may elect to hold a contested case hearing if no objections to the petition or application are received. If a timely objection is not received and the ~~board~~ commissioner declines to act without hearing, the petitioner may request within 30 days of receiving a notice of denial, and shall be granted, a contested case hearing on the application.

Sec. 5. Minnesota Statutes 1994, section 218.041, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER'S POWERS.] In exercising the power granted by this chapter, the commissioner may:

(1) Subpoena books, papers or accounts kept by any regulated business within or without the state, or compel production of verified copies;

(2) Prepare all forms or blanks for the purpose of obtaining information which the commissioner may deem necessary or useful for the proper exercise of the authority and duties of the commissioner ~~or the board~~ in connection with regulated businesses, and prescribe the time and manner within which the blanks and forms shall be completed and filed;

(3) Inspect, at all reasonable times, and copy the books, records, memoranda, correspondence or other documents and records of any business under the commissioner's jurisdiction; and

(4) Examine, under oath, any officer, agent or employee of a business under the commissioner's jurisdiction concerning ~~its business and affairs~~ any matter within the commissioner's jurisdiction; and

~~(5) Prescribe rules, duly promulgated in accordance with chapter 14, relating to rates, care in handling and other livestock transportation matters.~~

Sec. 6. Minnesota Statutes 1994, section 218.071, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] ~~The board and commissioner may promulgate rules, orders and directives necessary to carry out the respective duties conferred on them the commissioner by this chapter. The rules, orders, and directives may not be contrary to United States Code, title 49, sections 10101 to 11917. Every duly adopted rule, order or directive of the board or commissioner shall have the full force and effect of law.~~

Sec. 7. Minnesota Statutes 1994, section 219.074, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENTS; HEARING.] Public officials having the necessary authority and a railway company operating the railroad may agree to the vacation, relocation, consolidation, or separation of grades at grade crossings. If agreement cannot be reached concerning the location, manner of construction, or a reasonable division of expense, either party may file a petition with the ~~board~~ commissioner, setting forth the facts and submitting the matter to it for determination. The ~~board~~ commissioner shall then conduct a hearing under chapter 14 and shall apply the rules developed under section 219.073 in coming to a determination. The commissioner may also, on its own motion, bring matters concerning vacation, relocation, consolidation, or separation of grades at public grade crossings to the ~~board for determination hearings~~. If the ~~board~~ commissioner determines that the vacation, relocation, consolidation, or separation is consistent with the standards adopted under section 219.073, the ~~board~~ commissioner may order the crossing vacated, relocated, consolidated, or separated.

Sec. 8. Minnesota Statutes 1994, section 219.074, subdivision 2, is amended to read:

Subd. 2. [CROSSING VACATION PROGRAM.] On or before July 1, ~~1992~~ 1996, and on or before July 1 of each of the next four years, and as necessary afterward, the commissioner shall ~~propose to the board a list of~~ identify those grade crossings ~~proposed to be vacated~~. The list must be developed by applying the standards set forth in the rules adopted under section 219.073. Grade crossings that are part of an abandonment, closing, or removal ~~under section 219.741~~ may not be included in the list. The ~~board~~ commissioner shall notify the public officials having the necessary authority and the railway companies operating the railroads of the proposed vacations. Either affected party may request a hearing. If requested, the ~~board~~ commissioner shall ~~hold~~ schedule a contested case hearing ~~applying in its determination before an administrative law judge who shall apply the rules developed under section 219.073~~. If ~~after the hearing the board~~ administrative law judge determines that the vacation is consistent with the standards adopted under section 219.073, it may order the crossing vacated. If a request for a hearing on a particular crossing is not received within 30 days of the publication in the State Register, the ~~board~~ commissioner shall order the crossing vacated.

Sec. 9. Minnesota Statutes 1994, section 219.14, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATION.] The ~~board~~ commissioner on its own motion may or upon written complaint authorized by the governing body of a city or county, by the board of supervisors of a town, or by authorized officers of a subject railroad, shall investigate and determine whether a railroad crossing over a street or public highway, that is or will be opened to public travel, is or will be dangerous to life or property. The ~~board~~ commissioner may order the crossing protected in any manner it finds reasonable and proper, including ~~requiring the company vacation, consolidation, or separation of the grade crossing under section 219.074 to separate the grades~~.

Sec. 10. Minnesota Statutes 1994, section 219.20, is amended by adding a subdivision to read:

Subd. 1a. [STOP SIGNS AT PRIVATE CROSSINGS.] The commissioner may require the installation of a stop sign at any private railroad crossing in the state, by rule or by order.

Sec. 11. Minnesota Statutes 1994, section 219.20, subdivision 2, is amended to read:

Subd. 2. [STOPPING DISTANCES.] When a stop sign has been erected at a private or public railroad crossing, the driver of a vehicle approaching a the railroad crossing shall stop within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care in accordance with the provisions of section 169.26.

Sec. 12. Minnesota Statutes 1994, section 219.22, is amended to read:

219.22 [STOP, LOOK, AND LISTEN.]

Before proceeding across ~~the~~ a railroad track at a private or public crossing marked with a stop sign, drivers shall bring their vehicles to a full stop and ascertain whether or not trains are approaching the crossing.

Sec. 13. Minnesota Statutes 1994, section 219.24, is amended to read:

219.24 [ADDITIONAL SAFEGUARDS.]

If the ~~board~~ commissioner finds in an investigation instituted upon the commissioner's own motion or upon complaint and after notice and hearing, that conditions at a grade crossing require additional safeguards to protect life and property, such as crossing gates or other suitable devices, the ~~board~~ commissioner shall specify the nature of the devices required and may order the railway company operating the railroad at the crossing and the road authority to install them.

Sec. 14. Minnesota Statutes 1994, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing warning devices or improvements installed or maintained under this chapter as approved by the ~~board or the commissioner or any predecessor~~, whether by order or otherwise, are adequate and appropriate warning for the crossing.

Sec. 15. Minnesota Statutes 1994, section 219.98, is amended to read:

**219.98 [FEES FOR APPLYING FOR BOARD ORDER.]**

A person other than the state, a state agency, or a political subdivision, who applies for an order of the ~~board relating to clearances under section 219.47, permitting the abandonment or removal of track under section 219.741, or permitting abandonment of a station or discontinuance or reduction of agency service under section 219.85,~~ commissioner shall pay, at the time the application is filed, into the state treasury a fee of \$100. A person other than the state, a state agency, or a political subdivision, applying for an order of the ~~board~~ commissioner under any other provision of this chapter shall pay, at the time the application is filed, into the state treasury a fee of \$50.

Sec. 16. Minnesota Statutes 1994, section 221.011, subdivision 15, is amended to read:

Subd. 15. [MOTOR CARRIER.] "Motor carrier" means a ~~carrier operating for hire under the authority of this chapter and subject to the rules and orders of the commissioner and the board~~ person engaged in the for-hire transportation of property or passengers. "Motor carrier" does not include a building mover subject to section 221.81, a limousine operator subject to section 221.84, or a regular route common carrier of passengers, as defined in section 221.011.

Sec. 17. Minnesota Statutes 1994, section 221.011, is amended by adding a subdivision to read:

Subd. 47. [AIRPORT PASSENGER SERVICE.] "Airport passenger service" means any transportation for hire of passengers by motor vehicle, other than in regular route service, to or from an airport.

Sec. 18. Minnesota Statutes 1994, section 221.011 is amended by adding a subdivision to read:

Subd. 48. [AIRPORT PASSENGER SERVICE CARRIER.] "Airport passenger service carrier" means a person who engages in the business of transporting the public, by motor vehicle, to or from an airport. "Airport passenger service carrier" does not include a regular route common carrier of passengers.

Sec. 19. Minnesota Statutes 1994, section 221.021, is amended to read:

**221.021 [OPERATION CERTIFICATE OR PERMIT REQUIRED MOTOR CARRIER REGISTRATION; SAFETY; SUSPENSION OR CANCELLATION OF REGISTRATION.]**

Subdivision 1. [CARRIER REGISTRATION REQUIREMENT.] No person may operate as a ~~motor carrier or advertise or otherwise hold out as a motor carrier without a certificate or permit~~ carrier registration in effect. A certificate or permit may be suspended or revoked upon conviction of violating a provision of sections 221.011 to 221.296 or an order or rule of the commissioner or board governing the operation of motor carriers, and upon a finding by the court that the violation was willful. The board may, for good cause after a hearing, suspend or revoke a certificate or permit for a violation of a provision of sections 221.011 to 221.296 or an order issued or rule adopted by the commissioner or board under this chapter.

Subd. 2. [REGISTRATION STATEMENT FILING.] A person who wishes to operate as a motor carrier in this state must file with the commissioner a registration statement on a form prescribed by the commissioner.

Subd. 3. [REGISTRATION RECEIPT ISSUANCE; DURATION.] The commissioner shall issue an airport passenger carrier certificate of registration or a registration receipt to a motor carrier who has filed a registration statement and who complies with the financial responsibility requirements in section 221.141 unless the motor carrier has an unsatisfactory safety rating. A photocopy of the carrier's registration receipt must be carried in each vehicle operated under the registration and must be made available to the department and other law enforcement officials



upon request. A motor carrier registration is not assignable or transferable and is valid until it expires or is suspended, revoked, or canceled, whichever occurs first. A registration expires on August 1.

Subd. 4. [SAFETY REGULATION.] A motor carrier is subject to the federal regulations incorporated by reference in section 221.0314 unless exempt under section 221.031.

Subd. 5. [SUSPENSION FOR UNSATISFACTORY SAFETY RATING.] The commissioner shall, following the procedures in section 221.185, immediately suspend the registration of a motor carrier who receives an unsatisfactory safety rating. The commissioner shall conduct one follow-up compliance audit to determine if the motor carrier's safety rating should be changed within 30 days of receiving a written request from the carrier. Additional compliance reviews may be conducted at the commissioner's discretion.

Subd. 6. [ANNUAL RENEWAL.] A motor carrier shall renew its registration between July 1 and August 1 of each year on a form prescribed by the commissioner. The commissioner shall develop and implement an expedited renewal process to minimize the burden on motor carriers.

Sec. 20. [221.0212] [PASSENGER CARRIERS; AUDIT AND INSPECTION REQUIRED BEFORE REGISTRATION.]

Before issuing a registration receipt to a motor carrier of passengers under section 221.021, the commissioner shall:

- (1) conduct an audit of the motor carrier's records;
- (2) inspect the vehicles the carrier intends to use in its motor carrier operation to determine if they comply with the federal regulations incorporated in section 221.0314;
- (3) verify that the carrier has an established place of business which shall mean at a minimum, a permanent enclosed commercial building on a permanent foundation, owned or under lease by the carrier. The lease shall be for a minimum term of one year. The building shall contain an office space where the books and files necessary to conduct business are kept and maintained with personnel available during normal business hours;
- (4) audit the carrier's drivers' background, safety, and drug testing records;
- (5) verify compliance with the insurance and bonding requirements of section 221.141; and
- (6) collect an initial registration fee of \$500.

Sec. 21. [221.0213] [ANNUAL REGISTRATION AUDIT AND INSPECTION REQUIREMENTS.]

Before issuing an annual renewal registration to a motor carrier of passengers under section 221.021, the commissioner shall:

- (1) conduct an audit of the motor carrier's records;
- (2) inspect the vehicles the carrier uses in its motor carrier operation to determine if they comply with the federal regulations incorporated in section 221.0314;
- (3) verify that the carrier has an established place of business as defined above;
- (4) audit the carrier's drivers' background, safety, and drug testing records;
- (5) verify compliance with the insurance and bonding requirements of section 221.141; and
- (6) collect an annual renewal registration fee of \$500.

Sec. 22. Minnesota Statutes 1994, section 221.022, is amended to read:

221.022 [EXCEPTION.]

~~The powers granted to the board under sections 221.011 to 221.296 do not include the power Section 221.021 does not apply to regulate any service or vehicles operated by the metropolitan council or to regulate passenger transportation service provided under contract to the department or the metropolitan council. A provider of passenger transportation service under contract to the department or the metropolitan council may not provide charter service without first having obtained a permit to operate as a charter carrier. Transportation services under contract to the department and transportation providers receiving assistance under chapter 174 shall not conduct any other passenger operations.~~

Sec. 23. Minnesota Statutes 1994, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

~~The provisions of this chapter requiring a certificate or permit to operate as a motor carrier do~~  
Section 221.021 does not apply to the intrastate transportation described below:

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

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

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

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

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

(f) the delivery of agricultural lime;

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

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

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

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

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

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

(m) the transportation of agricultural, horticultural, dairy, livestock, or other farm products

within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service ~~that is not charter service and~~ that is under contract to and with operating assistance from the department or the metropolitan council;

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

(p) transportation of potatoes from the field of production, or a storage site owned or otherwise controlled by the producer, to the first place of processing.

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

Sec. 24. Minnesota Statutes 1995 Supplement, section 221.031, subdivision 1, is amended to read:

Subdivision 1. [POWERS, DUTIES, REPORTS, LIMITATIONS.] (a) This subdivision applies to motor carriers engaged in intrastate commerce.

(b) The commissioner shall prescribe rules for the operation of motor carriers, including their facilities; accounts; leasing of vehicles and drivers; service; safe operation of vehicles; equipment, parts, and accessories; hours of service of drivers; driver qualifications; accident reporting; identification of vehicles; installation of safety devices; inspection, repair, and maintenance; and proper automatic speed regulators if, in the opinion of the commissioner, there is a need for the rules.

(c) The commissioner shall direct the repair and reconstruction or replacement of an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require the construction and maintenance or furnishing of suitable and proper freight terminals, passenger depots, waiting rooms, and accommodations or shelters in a city in this state or at a point on the highway traversed which the commissioner, after investigation by the department, may deem just and proper for the protection of passengers or property.

(d) The commissioner shall require holders of ~~household goods mover permits, charter carrier permits, and regular route passenger carrier certificates~~ to file annual and other reports including annual accounts of motor carriers, schedules of rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling ~~and shipping~~ public, and prescribe other rules as may be necessary to carry out the provisions of this chapter.

(e) A motor carrier subject to paragraph (d) but having gross revenues from for-hire transportation in a calendar year of less than \$200,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report, if instead the motor carrier files an abbreviated annual report, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$200,000 in the previous calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.

(f) The commissioner shall enforce sections 169.781 to 169.783.

(g) ~~The commissioner shall make no rules relating to the granting, limiting, or modifying of permits or certificates of convenience and necessity, which are powers granted to the board.~~

(h) ~~The board~~ commissioner may extend the termini of a route or alter or change the route of a regular route common carrier upon petition and after finding that public convenience and necessity require an extension, alteration, or change.

Sec. 25. Minnesota Statutes 1994, section 221.041, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATIONS; PROCEDURES.] The ~~board~~ commissioner shall fix and establish just, reasonable, and nondiscriminatory rates, fares, charges, and the rules and classifications incident to tariffs for ~~certificated carriers~~ regular route common carriers of passengers. In prescribing rates, fares, charges, classifications, and rules for the carrying of ~~freight, persons, or property~~, the ~~board~~ commissioner shall take into consideration the effect of the proposed rates or fares upon the ~~users of the service~~ and upon competitive carriers by motor vehicle and rail and, insofar as possible, avoid rates and fares which will result in unreasonable and destructive competition. In making its determination, the ~~board~~ commissioner shall consider, among other things, the cost of the service rendered by the carrier, including an adequate sum for maintenance and depreciation, and an adequate operating ratio under honest, economical, and efficient management. No rate or fares may be put into effect or changed or altered except upon hearing duly had and an order therefor by the ~~board~~ commissioner, or except as herein otherwise provided. The ~~board~~ commissioner may authorize rate changes ex parte which, in its opinion, are not of sufficient import to require a hearing. In an emergency, the ~~board~~ commissioner may order a change in existing rates or fares without a hearing. In instances of ex parte or emergency orders, the ~~board~~ commissioner shall, within five days, serve a copy of its order granting the change in rates upon parties which the ~~board~~ commissioner deems interested in the matter, including competing carriers. An interested party shall have 30 days from the date of the issuance of the order to object to the order. If objection is made, the ~~board~~ commissioner shall determine whether a hearing is necessary for resolution of the material issues relating to the proposed change in rates. On finding that a hearing is unnecessary for this purpose, the ~~board~~ commissioner, no sooner than 30 days after issuing its initial order granting the change in rates, may enter an order finally disposing of the rate change application. On determining otherwise, the ~~board~~ commissioner may take final action on the rate change application and the objections to it only after a contested case hearing has been conducted under chapter 14.

Sec. 26. Minnesota Statutes 1994, section 221.041, subdivision 2 is amended to read:

Subd. 2. [FILING.] A ~~certificated carrier~~ regular route common carrier of passengers, upon approval by the ~~board~~ commissioner of its rates, fares, charges, and rules and classifications incident to tariffs shall file its rates, fares, charges, and tariffs with the commissioner. Filings must be prepared and filed in the manner prescribed by the commissioner. ~~The commissioner may not accept for filing rates, fares, charges, and tariffs which have not been approved by the board.~~

Sec. 27. Minnesota Statutes 1994, section 221.041, subdivision 3, is amended to read:

Subd. 3. [PROHIBITIONS; COMPENSATION AND TIME SCHEDULES.] No ~~certificated carrier~~ regular route common carrier of passengers may charge or receive a greater or less or different compensation for the transportation of passengers ~~or property~~ or for service in connection therewith than the rates, fares, and charges and the rules and classifications governing the same which have been duly approved therefor by order of the ~~board~~ commissioner. A ~~certificated carrier~~ regular route common carrier of passengers may not refund or remit in any manner or by any device a portion of those rates, fares, and charges required to be collected under the ~~board's~~ commissioner's order; nor extend to a ~~shipper or~~ any person a privilege or facilities in connection with the transportation of passengers ~~or property~~ except as are authorized under the order of the ~~board~~ commissioner. No passenger-carrying regular route common carrier may alter or change its time schedules except upon order of the ~~board~~ commissioner. The order may be issued ex parte unless the ~~board~~ commissioner decides that the public interest requires that a hearing be held.

Sec. 28. Minnesota Statutes 1994, section 221.051, subdivision 1, is amended to read:

~~Subdivision 1. [ABANDONMENT OR DISCONTINUANCE OF SERVICE.]~~ No regular route common carrier of passengers ~~or class I carrier~~ may abandon or discontinue any service required under its certificate without an order of the ~~board~~ commissioner therefor, except in cases of emergency or conditions beyond its control.

Sec. 29. Minnesota Statutes 1994, section 221.061, is amended to read:

221.061 [PETITION FOR CERTIFICATE; FEE; HEARING.]

A person desiring a certificate authorizing operation as a regular route common carrier of passengers, ~~a class I carrier, or petroleum carrier,~~ or an extension of or amendment to that certificate, shall file a petition with the commissioner which must contain information as the ~~board~~ and commissioner, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of \$300 and for a transfer or lease of the certificate the sum of \$300.

The petition must be processed as any other petition. The ~~board~~ commissioner shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the ~~board~~ commissioner deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the ~~board~~ commissioner may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 30. Minnesota Statutes 1994, section 221.071, subdivision 2, is amended to read:

Subd. 2. [VEHICLE REGISTRATION.] ~~Certificate carriers~~ Regular route common carriers of passengers shall annually register each vehicle as provided in section 221.131, subdivision 3.

Sec. 31. Minnesota Statutes 1994, section 221.081, is amended to read:

221.081 [SALE OR LEASE OF CERTIFICATE.]

Certificates authorizing operations as a regular route common carrier ~~or as a petroleum carrier~~ may be sold or leased but only upon order of the ~~board~~ commissioner approving the same. The proposed seller and buyer or lessor and lessee of a certificate shall file a joint petition with the commissioner, setting forth the names and addresses of the parties, the identifying number of the certificate and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a short statement of the buyer or lessee's present operating authority, if any, a statement of all outstanding claims of creditors which are directly attributable to the operations conducted under said certificate, a copy of the contract of sale or lease and a financial statement with balance sheet and income statement, if existent, of the buyer. If it appears to the ~~board~~ commissioner from the contents of the petition and from the department's records, files and investigation of the petition that the approval of the sale or lease of the certificate will not adversely affect the rights of the users of the service and will not have an adverse effect on any other motor carrier, the ~~board~~ commissioner may make an ex parte order granting the same. When the proposed sale or lease is between persons who are direct competitors to a material degree, the petition shall be set down for hearing with notice to the communities which may be affected by the proposed merger and to any other persons the ~~board or department~~ commissioner deems to be interested parties.

Sec. 32. Minnesota Statutes 1994, section 221.091, is amended to read:

221.091 [LIMITATIONS; RELATIONSHIP TO LOCAL REGULATION.]

No provision in sections ~~221.011 to 221.291 and 221.84 to 221.85~~ this chapter shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections ~~221.011 to 221.291 and 221.84 to 221.85~~ this chapter be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of those sections this chapter, or the general police power of any such city over its highways; nor shall sections ~~221.011 to 221.291 and 221.84 to 221.85~~ this chapter be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers herein stated are hereby expressly reserved and granted to such

city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a certificate of convenience and necessity issued by the commission, a carrier registration under section 221.0211, or to a permit issued by the commissioner under section 221.84 or 221.85.

Sec. 33. Minnesota Statutes 1994, section 221.111, is amended to read:

221.111 [~~PERMITS TO OTHER MOTOR CARRIERS~~ HOUSEHOLD GOODS MOVERS.]

~~Motor carriers other than certificated carriers and local cartage carriers of household goods shall obtain a permit in accordance with section 221.121 by application to the commissioner on a form prescribed by the commissioner. The board~~ commissioner shall issue only the following kinds of permits:

- ~~(1) class H-T permits;~~
- ~~(2) class H-L permits;~~
- ~~(3) livestock carrier permits;~~
- ~~(4) contract carrier permits;~~
- ~~(5) charter carrier permits;~~
- ~~(6) courier service carrier permits;~~
- ~~(7) local cartage carrier permits;~~
- ~~(8) household goods mover permits;~~
- ~~(9) temperature-controlled commodities permits; and~~
- ~~(10) armored carrier permits.~~

Sec. 34. Minnesota Statutes 1994, section 221.124, is amended to read:

221.124 [INITIAL MOTOR CARRIER CONTACT PROGRAM.]

Subdivision 1. [INITIAL MOTOR CARRIER CONTACT.] The initial motor carrier contact program consists of an initial contact, for educational purposes, between a motor carrier required to participate and representatives of the department of transportation. The initial contact may be through an educational seminar or, at the discretion of the department, through a personal ~~meeting~~ contact with a representative of the department. The initial contact must consist of a discussion of the statutes, rules, and regulations that apply to motor carriers. Topics discussed must include: ~~carrier authority; the leasing of drivers and vehicles; insurance requirements; tariffs; annual reports; accident reporting; accident counter-measures; identification of vehicles; driver qualifications; maximum hours of service of drivers; the safe operation of vehicles; equipment, parts, and accessories; and inspection, repair, and maintenance, and in the case of motor carriers providing regular route passenger transportation, must also include authority, tariffs, and annual reports.~~ The department shall provide written documentation of proof of compliance with the requirements of subdivision 2 and shall give a copy of the document to the motor carrier.

Subd. 2. [PARTICIPATION REQUIRED.] A ~~motor~~ carrier that receives a certificate or ~~permit~~ from first registers with the ~~board for new authority on or~~ commissioner after September 1, 1991 the effective date of this section, shall participate in the initial motor carrier contact program. A motor carrier required to participate in the program must have in attendance at least one motor carrier official having a substantial interest or control, directly or indirectly, in or over the operations conducted or to be conducted under the certificate or ~~permit~~ carrier's registration.

Subd. 3. [TIME FOR COMPLIANCE.] A motor carrier required by subdivision 2 to participate in the program must do so within 90 days of the service date of the order granting the certificate or permit within 90 days of registering. Failure to comply with the requirement of subdivision 2 makes the order granting the certificate or permit the carrier's registration void upon expiration of the time for compliance.

Sec. 35. Minnesota Statutes 1994, section 221.131, as amended by Laws 1995, chapter 265, article 2, section 23, is amended to read:

221.131 [CARRIER VEHICLE REGISTRATION; FEES; IDENTIFICATION; CAB CARDS.]

Subdivision 1. [PERMIT RENEWAL.] Permits issued under section 221.121 are effective for a 12-month period. A permit holder must renew the permit annually by registration of the vehicles operated under authority of that permit as required by subdivision 2. A permit holder has one annual renewal date encompassing all of the permits held by the holder.

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] (a) This subdivision applies only to holders of household goods mover permits and charter-carrier permits.

(b) The permit holder shall pay an annual registration fee of \$40 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units.

(c) The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and payment of a transfer fee of \$10. An identification card issued under this section is valid only for the period for which the permit is effective.

(d) A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost.

Subd. 2a. [VEHICLE IDENTIFICATION.] The permit holder must be identified on the power unit of each registered vehicle operated under the permit. Vehicles must show the name or the "doing business as" name of the permit holder operating the vehicle and the community and abbreviation of the state in which the permit holder maintains its principal office or in which the vehicle is customarily based. If the permit holder operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating permit holder appears on the vehicle, the words "operated by" must immediately precede the name of the permit holder. The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.

Subd. 3. [CERTIFICATE CARRIERS REGULAR ROUTE COMMON CARRIERS OF PASSENGERS; ANNUAL VEHICLE REGISTRATION.] Certificated passenger carriers shall pay an annual registration fee of \$40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2 which shall be carried at all times in the vehicles to which they have been assigned. An identification card may be reassigned to another vehicle upon application of the carrier and payment of a transfer fee of \$10.

Subd. 4. [CARDS; FEES.] The department may issue to carriers subject to subdivision 2 or 3 special "floater" identification cards up to a maximum of five per motor carrier. Floater cards may be freely transferred between vehicles used under short-term leases by the motor carrier. The motor carrier shall pay a fee of \$100 for each floater card issued.

Subd. 5. ~~[LIMITATION.] The provisions of this section are limited by applicable federal law.~~

Sec. 36. Minnesota Statutes 1995 Supplement, section 221.132, is amended to read:

221.132 [PREPAID TEMPORARY VEHICLE IDENTIFICATION CARDS.]

The commissioner may issue a prepaid temporary vehicle identification card to a ~~permit or certificate holder~~ regular route common carrier of passengers subject to section 221.131, subdivision 2 ~~or~~ 3, for a fee of \$5 per card. The card must be preprinted by the commissioner with the carrier's name, address, and permit or certificate number. The card may be used by the ~~motor~~ carrier to whom it is issued to identify a vehicle temporarily added to its fleet. The card must be executed by the ~~motor~~ carrier by dating and signing the card and describing the vehicle in which it will be carried. The identification card is valid for a period of ten days from the date the ~~motor~~ carrier places on the card when the card is executed. The card must be used within one year from the date of issuance by the commissioner. The card may not be used if the permit or certificate is not in full force and effect. The card may not be transferred. The commissioner may not refund the cost of unused prepaid temporary vehicle identification cards.

Sec. 37. Minnesota Statutes 1994, section 221.141, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL RESPONSIBILITY OF CARRIERS.] No motor carrier ~~and no~~ regular route common carrier of passengers, or interstate carrier shall operate a vehicle until it has obtained and has in effect the minimum amount of financial responsibility required by this section. Policies of insurance, surety bonds, other types of security, and endorsements must be continuously in effect and must remain in effect until canceled. Before providing transportation, the ~~motor~~ carrier or interstate carrier shall secure and cause to be filed with the commissioner and maintain in full effect, a certificate of insurance in a form required by the commissioner, evidencing public liability insurance in the amount prescribed. The insurance must cover injuries and damage to persons or property resulting from the operation or use of motor vehicles, regardless of whether each vehicle is specifically described in the policy. This insurance does not apply to injuries or death to the employees of the ~~motor~~ carrier or to property being transported by the carrier. ~~The commissioner shall require cargo insurance for certificated carriers, except those carrying passengers exclusively. The commissioner may require a permit carrier to file cargo insurance when the commissioner deems necessary to protect the users of the service.~~

Notwithstanding any other provision of this chapter, the insurance required of a passenger carrier shall not be less than that required under the federal Motor Vehicle Safety Act.

Notwithstanding any other provision of this chapter, a passenger carrier shall be required to keep in full force and effect a bond with a corporate surety to be approved by the commissioner in the amount of \$50,000. The bond shall be conditioned on the faithful performance by the carrier of all obligations imposed by the laws of this state, including but not limited to, the payment of all taxes, license fees, and penalties. The bond shall be for benefit of the state of Minnesota and to any person suffering monetary loss due to the failure of the carrier to meet the obligations enumerated above. Proceedings on the forfeiture of the bond shall be commenced in the district court of the county in which the business premises of the carrier are located.

Sec. 38. Minnesota Statutes 1994, section 221.141, subdivision 4, is amended to read:

Subd. 4. [HOUSEHOLD GOODS MOVERS.] A household goods mover shall maintain in effect cargo insurance or cargo bond in the amount of ~~\$50,000~~ \$100,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the household goods mover permit was issued and whose operations are being insured.

Sec. 39. Minnesota Statutes 1994, section 221.185, is amended to read:



221.185 [SUSPENSION OR CANCELLATION OF OPERATING AUTHORITY CARRIER REGISTRATION.]

Subdivision 1. ~~[GROUNDS FOR SUSPENSION.] Despite the provisions of section 221.021, A person's registration authority to operate as a motor carrier under sections 221.011 to 221.296 section 221.021 is suspended without a hearing, by order of the commissioner, for a period not to exceed 45 days upon the occurrence of any of the following and upon notice of suspension as provided in subdivision 2:~~

(a) ~~if the motor carrier fails to maintain and file with the commissioner, the insurance or bond required by sections section 221.141 and 221.296 and the rules of the commissioner; or~~

(b) ~~the motor carrier fails to renew permits as required by section 221.131;~~

(c) ~~the motor carrier fails to pay annual vehicle registration fees or renew permits as required by sections section 221.071, 221.131, and 221.296; or~~

(d) ~~the motor carrier fails to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, paragraph (b), or 221.153, subdivision 3.~~

Subd. 2. ~~[NOTICE OF SUSPENSION.] (a) Failure to file and maintain insurance, renew permits under section 221.131, or to pay annual vehicle registration fees or renew permits under section 221.071, 221.131, or 221.296, or to maintain in good standing a protective agent's or private detective's license required under section 221.121, subdivision 6g, or 221.153, subdivision 3, suspends a motor carrier's permit or certificate or registration two days after the commissioner sends notice of the suspension by certified mail, return receipt requested, to the last known address of the motor carrier.~~

(b) ~~In order to avoid permanent cancellation of the permit or certificate or registration, the motor carrier must do one of the following, within 45 days from the date of suspension:~~

(1) ~~comply with the law by filing the required insurance or bond, renewing permits, or paying vehicle registration fees; or~~

(2) ~~request a hearing before the board regarding the failure to comply with the law.~~

Subd. 3. ~~[RESCIND SUSPENSION.] If the motor carrier complies with the requirements of this chapter within 45 days after the date of suspension and pays the required fees, including a late vehicle registration fee of \$5 for each vehicle registered, the commissioner shall rescind the suspension.~~

Subd. 3a. ~~[HEARING.] If the motor carrier requests a hearing within 45 days after the date of suspension, the board commissioner shall review the suspension and:~~

(1) ~~determine that the carrier has complied with the law and rescind the suspension;~~

(2) ~~for just cause, grant an extension which must not exceed 20 days; or~~

(3) ~~schedule a contested case hearing to ascertain whether the carrier has failed to comply with the law. If it is determined by the administrative law judge after the hearing that the carrier has failed to comply with the law, the board commissioner shall cancel the carrier's suspended permit or certificate or registration.~~

Subd. 4. ~~[FAILURE TO COMPLY, CANCELLATION.] Except as provided in subdivision 5a, failure to comply with the requirements of sections section 221.141 and 221.296 relating to bonds and insurance, 221.131 relating to permit renewal, 221.071, or 221.131, or 221.296 relating to annual vehicle registration or permit renewal, 221.121, subdivision 6g, or 221.153, subdivision 3, relating to protective agent or private detective licensure, or to request a hearing within 45 days of the date of suspension, is deemed an abandonment of the motor carrier's permit or certificate or registration and the permit or certificate or registration must be canceled by the commissioner.~~

Subd. 5. [NOTICE OF CANCELLATION.] The commissioner shall notify the motor carrier by certified mail, return receipt requested, that the ~~permit or~~ certificate or registration is canceled effective on the date of mailing the notice of cancellation.

Subd. 5a. [REINSTATEMENT AFTER CANCELLATION.] A motor carrier whose ~~permit or certificate or registration~~ is canceled for failure to comply with ~~sections~~ section 221.141 and 221.296 relating to bonds and insurance may ask the ~~board~~ commissioner to review the cancellation. Upon review, the ~~board~~ commissioner shall rescind the cancellation if: (1) the motor carrier presents evidence showing that before the effective date of the notice of cancellation issued under subdivision 5, the motor carrier had obtained and paid for the insurance required by ~~sections~~ section 221.141 and 221.296; and the rules of the commissioner, and (2) the commissioner ~~informs the board~~ determines that the motor carrier has complied with the requirements of ~~sections~~ section 221.141 and 221.296 and the rules of the commissioner.

Subd. 9. [NEW PETITION.] ~~If the holder of a canceled permit or certificate registration seeks authority to operate as a motor carrier it shall file a petition new registration statement with the commissioner for a permit or certificate as provided in section 221.061, 221.121, or 221.296, whichever is applicable.~~

Sec. 40. [221.2212] [CONTESTED CASE HEARINGS.]

The decision of an administrative law judge is final for purposes of judicial review in a contested case proceeding required by this chapter.

Sec. 41. Minnesota Statutes 1994, section 221.281, is amended to read:

221.281 [VIOLATIONS, PENALTIES.]

Any regular route common carrier ~~or petroleum carrier of~~ passengers, or any officer, agent or employee of any such carrier, failing to comply with any final order, decision, rule, or directive, or any part or provision thereof, of the commissioner ~~or board~~, or any provision of ~~sections 221.011 to 221.296~~ this chapter, shall be subject to a penalty of \$50 \$500 for each and every day of such failure, to be recovered for the state in a civil action brought by the commissioner.

Any such carrier granting any special rate, rebate, drawback, or directly or indirectly charging, demanding, or collecting a greater or less compensation than provided by its regular established schedule of rates and charges, shall be punished by a fine not exceeding \$10,000 for each such offense.

Sec. 42. Minnesota Statutes 1994, section 221.291, subdivision 4, is amended to read:

Subd. 4. [OPERATING WITHOUT CERTIFICATE OR PERMIT REGISTRATION.] A person who operates a motor carrier without obtaining a required ~~certificates~~ certificate or ~~permits~~ to operate as required by this chapter first registering under section 221.021 is guilty of a misdemeanor, and upon conviction shall be fined not less than the maximum fine which may be imposed for a misdemeanor for each violation.

Sec. 43. Minnesota Statutes 1994, section 221.291, subdivision 5, is amended to read:

Subd. 5. [VARIATION OF COMPENSATION RATE.] A person who knowingly offers, grants, gives, solicits, accepts, or receives a rebate, concession, or discrimination in violation of a provision of this chapter, or who by any means knowingly assists, requires, or permits a person to obtain or provide transportation of persons ~~or property~~ for a greater or lesser or different compensation than that approved by order of the board, ~~or in the case of permit carriers than that filed with the commissioner~~, is guilty of a misdemeanor and upon conviction shall be fined not less than \$200.

Sec. 44. Minnesota Statutes 1994, section 222.632, is amended to read:

222.632 [RIGHT OF FIRST REFUSAL.]

A railroad interest that is in bankruptcy proceedings may not sell or offer for sale an interest in

real property that is within the right-of-way, a railroad interest that is abandoning a railroad line may not sell or offer for sale an interest in real property within the right-of-way to be abandoned, and a nonrailroad lessor may not sell or offer for sale an interest in real property within the right-of-way with respect to which it is a nonrailroad lessor, unless it first extends a written offer to sell that interest at a fair market value price to each person who is a leaseholder with respect to the property. Leaseholders must respond to the offer within 60 days of receipt of the notice and the railroad interest must negotiate in good faith with an interested leaseholder for a period of 90 days following the leaseholder's response. ~~After the 90-day negotiation period, either party may file a notice of dispute with the board under section 222.633. The property may not be sold to a party other than the leaseholder during the response and negotiation periods or while a dispute is pending before the board.~~ This section does not apply to a sale of an entire operating railroad line by one operating railroad to another for the purpose of operating a railroad.

Sec. 45. Minnesota Statutes 1994, section 231.01, subdivision 5, is amended to read:

Subd. 5. [WAREHOUSE OPERATOR.] The term "warehouse operator," as used in this chapter, means and includes every corporation, company, association, joint stock company or association, firm, partnership, or individual, their trustees, assignees, or receivers appointed by any court, controlling, operating, or managing within this state directly or indirectly, any building or structure, or any part thereof, or any buildings or structures, or any other property, and using the same for the storage or warehousing of goods, wares, or merchandise for compensation, or who shall hold itself out as being in the storage or warehouse business, or as offering storage or warehouse facilities, or advertise for, solicit or accept goods, wares, or merchandise for storage for compensation, but shall not include persons, corporations, or other parties operating open air storage facilities containing minerals, ores or rock products including, but not limited to, aggregates, clays, railroad ballast, iron ore, copper ore, nickel ore, limestone, coal and salt, or operating grain or cold storage warehouses, or storing on a seasonal basis boats, boating accessories, recreational vehicles or recreational equipment or facilities in which the party storing goods rents and occupies space as a tenant and the entire risk of loss is with the tenant pursuant to written contract between the landlord and tenant.

Sec. 46. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. Except when used in the phrases to be changed by the revisor under subdivision 2, the revisor of statutes is directed to change the word "board" or "board's" when it refers to the transportation regulation board, to the term "commissioner," "commissioner's," or "commissioner of transportation," as appropriate, for Minnesota Statutes 1996 and subsequent editions of the statutes, where it appears in Minnesota Statutes, sections 218.031; 219.14; 219.41; 219.42; 219.46; 219.47; 219.52; 221.071; 221.221, subdivision 2; and 221.293.

Subd. 2. The revisor of statutes is directed to change the phrases "board or commissioner," "commissioner or board," "board or the commissioner," "commissioner or the board," "commissioner and the board," "commissioner and board," "board and the commissioner," "board and commissioner," "department and board," "board or department," and "board and the department," when the word "board" refers to the transportation regulation board, to the term "commissioner," or "commissioner of transportation," as appropriate, for Minnesota Statutes 1996 and subsequent editions of the statutes, where it appears in Minnesota Statutes, sections 218.041; 218.071; 219.51; 221.031, subdivision 5; 221.221, subdivisions 1 and 3; 221.261; 221.271; 221.291, subdivisions 1 and 3; 221.293; 221.295; and 221.68.

Subd. 3. Except when amended accordingly in sections 1 to 38 the revisor of statutes is directed to change the words "transportation regulation board" to "commissioner of transportation" wherever they appear in Minnesota Statutes 1996 and Minnesota Rules, and subsequent editions of the statutes and rules.

Subd. 4. The revisor of statutes shall make other changes in chapter titles; section, subdivision, part, and subpart headnotes; and in other terminology necessary as a result of the enactment of sections 1 to 38.

Sec. 47. [CONVERSION OF CERTIFICATES AND PERMITS.]

A motor carrier with a valid certificate or permit other than a regular route passenger certificate issued by the transportation regulation board before the effective date of this section is deemed to have registered under section 16 of this act and the commissioner of transportation shall issue a registration receipt to the carrier.

Sec. 48. [TRANSFERRING CARRIER REGULATORY RESPONSIBILITIES.]

Subdivision 1. [TRANSPORTATION REGULATION BOARD.] The position of transportation regulation board member and the transportation regulation board as previously constituted are abolished.

Subd. 2. [RESPONSIBILITIES TRANSFERRED.] All responsibilities, as defined in Minnesota Statutes, section 15.039, subdivision 1, held by the transportation regulation board including but not limited to responsibilities relating to administration, regulation, record keeping, operating authority, permitting, ratemaking, rulemaking, and enforcement of motor carrier transportation laws, rules, and regulations relating to motor carriers and common carriers by rail are transferred to the department of transportation.

Subd. 3. [COURT ACTIONS.] A proceeding, court action, prosecution, or other business or matter pending on the effective date of this section may be conducted and completed by the department of transportation in the same manner, under the same terms and conditions, and with the same effect as though it involved or was begun and conducted or completed by the transportation regulation board before the transfer.

Subd. 4. [CONTRACTS; RECORDS.] The transportation regulation board shall give the accounts, contracts, books, maps, plans, papers, records, documents, and property of every description relating to the transferred responsibilities and within its jurisdiction or control to the department of transportation. The department of transportation shall accept the material presented. The transfer must be made in accordance with the directions of the department of transportation.

Subd. 5. [OBLIGATIONS.] The department of transportation is the legal successor of the transportation regulation board for the responsibilities transferred. On and after the effective date of this section, the bonds, resolutions, contracts, and liabilities of the transportation regulation board relating to the responsibilities transferred become those of the department of transportation.

Subd. 6. [UNEXPENDED FUNDS.] The unexpended balance of appropriations to the transportation regulation board for the purposes of the responsibilities transferred are reappropriated under the same conditions as the original appropriation to the department of transportation on the effective date of this section. The department of transportation, on and after the effective date of this section, shall pay valid claims presented against those appropriations.

Subd. 7. [PERSONNEL.] The classified and unclassified positions of the transportation regulation board, except positions to which members are appointed by the governor, are transferred with their incumbents to the department of transportation. The approved complement for the department of transportation is increased accordingly. Personnel changes are effective on the effective date of this section. This subdivision does not change the rights enjoyed before the effective date of this section under the managerial or commissioner's plan under Minnesota Statutes, section 43A.18, or the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.

Sec. 49. [REPEALER.]

Minnesota Statutes 1994, sections 174A.01; 174A.02; 174A.03; 174A.04; 174A.05; 174A.06; 218.021; 218.025; 218.031, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 218.041, subdivisions 1, 2, 7, and 8; 219.383, subdivision 1 and 2; 219.55; 219.558; 219.559; 219.56; 219.661; 219.662; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97, subdivision 7; 221.011, subdivisions 2b, 8, 10, 12, 14, 20, 21, 24, 25, 28, 35, 36, 38, 39, 40, 41, 44, 45, and 46; 221.0315; 221.051, subdivision 2; 221.072; 221.101; 221.111; 221.122; 221.123; 221.131, subdivisions 1, 2, 2a, 4, and 5; 221.141, subdivision 6; 221.151; 221.152; 221.153; 221.161; 221.165; 221.171; 221.172; 221.185, subdivision 9; 221.241; 221.293; 221.296; 221.54; 221.55; and 222.633, are repealed.

## Sec. 50. [EFFECTIVE DATE]

Sections 1 to 42 are effective July 1, 1996."

Delete the title and insert:

"A bill for an act relating to motor carrier regulation; abolishing transportation regulation board; changing regulations relating to common carriers by rail, motor carriers, passenger carriers, and pipeline carriers; amending Minnesota Statutes 1994, sections 169.26, by adding a subdivision; 218.031, subdivision 8; 218.041, subdivisions 4 and 6; 218.071, subdivision 1; 219.074, subdivisions 1 and 2; 219.14, subdivision 1; 219.20, subdivision 2, and by adding a subdivision; 219.22; 219.24; 219.402; 219.98; 221.011, subdivision 15, and by adding subdivisions; 221.021; 221.022; 221.025; 221.041, subdivisions 1, 2, and 3; 221.051, subdivision 1; 221.061; 221.071, subdivision 2; 221.081; 221.091; 221.111; 221.124; 221.131, as amended; 221.141, subdivisions 1 and 4; 221.185; 221.281; 221.291, subdivisions 4 and 5; and 222.632; Minnesota Statutes 1995 Supplement, sections 15A.081, subdivision 1; 221.031, subdivision 1; and 221.132; 231.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1994, sections 174.01; 174.02; 174.03; 174.04; 174.05; 174.06; 218.021; 218.025; 218.031, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 218.041, subdivisions 1, 2, 7, and 8; 219.383, subdivisions 1 and 2; 219.55; 219.558; 219.559; 219.56; 219.661; 219.662; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97, subdivision 7; 221.011, subdivisions 2b, 8, 10, 12, 14, 20, 21, 24, 25, 28, 35, 36, 38, 39, 40, 41, 44, 45, and 46; 221.0315; 221.051, subdivision 2; 221.072; 221.101; 221.111; 221.122; 221.123; 221.131, subdivisions 1, 2, 2a, 4, and 5; 221.141, subdivision 6; 221.152; 221.153; 221.161; 221.165; 221.171; 221.172; 221.185, subdivision 9; 221.241; 221.251; 221.293; 221.296; 221.54; 221.55; and 222.633."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 2489, 2320, 2331, 2529, 1902, 2449, 2223, 1702, 2418, 1906, 2337, 2760 and 2445 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Betzold moved that the name of Mr. Kramer be added as a co-author to S.F. No. 2484. The motion prevailed.

Mr. Cohen moved that the name of Ms. Piper be added as a co-author to S.F. No. 2673. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Limmer be added as a co-author to S.F. No. 2744. The motion prevailed.

Mr. Kelly moved that the name of Mr. Cohen be added as a co-author to S.F. No. 2771. The motion prevailed.

Mr. Kelly moved that the name of Mr. Cohen be added as a co-author to S.F. No. 2775. The motion prevailed.

Mr. Sams moved that the name of Mr. Finn be added as a co-author to S.F. No. 2778. The motion prevailed.

Mr. Kleis moved that the name of Mr. Kramer be added as a co-author to S.F. No. 2781. The motion prevailed.

**Mr. Ourada introduced--**

**Senate Resolution No. 95:** A Senate resolution commending Chief Master Sergeant Dennis A. Hohlen for his 30 years of service in the United States Air Force.

Referred to the Committee on Rules and Administration.

**Ms. Krentz introduced--**

**Senate Resolution No. 96:** A Senate resolution congratulating Scandia Elementary School for being selected as a Minnesota School of Excellence.

Referred to the Committee on Rules and Administration.

**Mr. Ourada introduced--**

**Senate Resolution No. 97:** A Senate resolution recognizing Bud L. Morrow for his outstanding achievements as he retires from the Lakedale Telephone Company.

Referred to the Committee on Rules and Administration.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Ms. Runbeck introduced--**

**S.F. No. 2785:** A bill for an act relating to taxation; property; providing for distribution of property tax penalties; amending Minnesota Statutes 1994, section 276.131.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Cohen introduced--**

**S.F. No. 2786:** A bill for an act relating to crime prevention; permitting courts to extend a sex offender's term of probation if the offender fails to complete court-ordered sex offender treatment successfully before probation expires; amending Minnesota Statutes 1994, section 609.135, by adding a subdivision; and Minnesota Statutes 1995 Supplement, section 609.135, subdivision 2.

Referred to the Committee on Crime Prevention.

**Messrs. Vickerman and Novak introduced--**

**S.F. No. 2787:** A bill for an act relating to taxation; property tax; providing for property taxation for certain wind energy conversion systems; permitting the recovery through rates of certain property tax payments; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; Minnesota Statutes 1995 Supplement, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Neuville, Mrs. Pariseau, Messrs. Scheevel and Kleis introduced--**

**S.F. No. 2788:** A bill for an act relating to crime prevention; requiring affirmative approval by the legislature of modifications to sentencing guidelines proposed by the sentencing guidelines commission; amending Minnesota Statutes 1994, section 244.09, subdivision 11.

Referred to the Committee on Crime Prevention.

**Mr. Neuville, Mrs. Pariseau, Messrs. Scheevel and Kleis introduced--**

**S.F. No. 2789:** A bill for an act relating to crime prevention; requiring a mandatory minimum sentence on persons convicted of a third violent crime; requiring a mandatory life sentence for certain persons convicted of a third sex offense; requiring lifetime conditional release for certain persons convicted of a second sex offense; imposing penalties; amending Minnesota Statutes 1994, sections 244.05, subdivision 4; 609.152, subdivision 2a; and 609.346, subdivisions 2a, 5, and by adding subdivisions.

Referred to the Committee on Crime Prevention.

**Mr. Neuville, Mrs. Pariseau, Mr. Murphy and Ms. Wiener introduced--**

**S.F. No. 2790:** A bill for an act relating to state trails; establishing a new trail in Rice, Dakota, and Goodhue counties; amending Minnesota Statutes 1994, section 85.015, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold introduced--**

**S.F. No. 2791:** A bill for an act relating to metropolitan council transit; providing for the metropolitan council transit operations to be subject to special assessments; amending Minnesota Statutes 1995 Supplement, section 473.448.

Referred to the Committee on Metropolitan and Local Government.

**Mses. Reichgott Junge, Robertson, Messrs. Betzold and Kramer introduced--**

**S.F. No. 2792:** A bill for an act relating to highways; directing commissioner of transportation to complete reconstruction of highway 100 as a high priority project.

Referred to the Committee on Transportation and Public Transit.

**Mr. Kroening introduced--**

**S.F. No. 2793:** A bill for an act relating to economic development; modifying the neighborhood revitalization program; amending Minnesota Statutes 1994, section 469.1831, subdivisions 3 and 6.

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

**Mr. Pogemiller introduced--**

**S.F. No. 2794:** A bill for an act relating to telecommunications; allowing local telephone companies to offer services at reduced or no cost to schools and libraries; amending Minnesota Statutes 1995 Supplement, section 237.065.

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

**Messrs. Vickerman, Stumpf, Mrs. Pariseau, Messrs. Neuville and Johnson, D.J. introduced--**

**S.F. No. 2795:** A bill for an act proposing an amendment to the Minnesota Constitution, by adding a section to article XIII; establishing the same constitutional standard for the Minnesota Constitution and the United States Constitution for issues relating to abortion.

Referred to the Committee on Health Care.

**Mr. Betzold, Ms. Hanson, Mr. Novak, Ms. Runbeck and Mr. Lessard introduced--**

**S.F. No. 2796:** A bill for an act relating to capital improvements; authorizing the issuance of state bonds for metropolitan council regional parks; appropriating money.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Ourada and Stevens introduced--**

**S.F. No. 2797:** A bill for an act relating to local government; authorizing Sherburne county to divide a county ditch without a redetermination of benefits.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Pappas introduced--**

**S.F. No. 2798:** A bill for an act relating to liquor; providing for the issuance of intoxicating liquor licenses to tour boats on the St. Croix river and Mississippi river; amending Minnesota Statutes 1994, sections 340A.404, subdivision 8; 340A.408, subdivision 4; and 340A.413, subdivision 4.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Lessard, Janezich and Johnson, D.E. introduced--**

**S.F. No. 2799:** A bill for an act relating to natural resources; establishing the Gilbert off highway vehicle recreation area; authorizing bonds; appropriating money; amending Minnesota Statutes 1994, section 85.013, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

**Mr. Berg introduced--**

**S.F. No. 2800:** A bill for an act relating to environmental education; capital improvements; appropriating money for an environmental learning center; authorizing the issuance of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Mr. Betzold introduced--**

**S.F. No. 2801:** A bill for an act relating to education; removing obsolete references; amending Minnesota Statutes 1995 Supplement, section 124.71, subdivision 2.

Referred to the Committee on Education.

**Messrs. Johnson, D.J.; Moe, R.D. and Laidig introduced--**

**S.F. No. 2802:** A bill for an act relating to natural resources; providing an appropriation for snowmobile grants-in-aid; appropriating money.

Referred to the Committee on Environment and Natural Resources.

**Mr. Riveness, Mses. Flynn and Ranum introduced--**

**S.F. No. 2803:** A bill for an act relating to taxation; authorizing creation of a housing replacement district in areas subject to airport noise impacts; providing for delayed valuation of improvements to homesteads in those areas; providing income tax benefits to certain residents of those areas; amending Laws 1995, chapter 255, article 3, section 2, subdivisions 1 and 4.



Referred to the Committee on Taxes and Tax Laws.

### **MEMBERS EXCUSED**

Messrs. Chmielewski; Cohen; Knutson; Merriam; Neuville; Johnson, D.E.; Johnson, D.J.; Riveness; Solon; Terwilliger; Mses. Anderson, Berglin and Reichgott Junge were excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, February 12, 1996. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate



# INDEX TO DAILY JOURNAL

Friday, February 9, 1996

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 5701 to 5702

## CHAPTER LAWS

		Session Laws	
S.F. Nos.	H.F. Nos.	Chapter No.	Page
1846		266 .....	5702

## MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
1862 .....	5702	1704 .....	5702	5702
		2112 .....	5702	5704
		2152 .....	5702	5703
		2154 .....	5702	5703
		2155 .....	5702	5703
		2188 .....	5702	5704
		2385 .....	5702	5703
		2415 .....	5702	5704
		2420 .....	5702	5704
		2558 .....	5702	5703
		2634 .....	5702	5703
		2681 .....	5702	5704
		2682 .....	5702	5704
		2695 .....	5702	5704

## REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
1702 .....	5711	5745			
1875 .....	5718				
1902 .....	5706	5745			
1906 .....	5712	5745			
2120 .....	5713				
2169 .....	5728				
2183 .....	5704				
2223 .....	5711	5745			
2311 .....	5713				
2320 .....	5705	5745			
2331 .....	5705	5745			
2337 .....	5712	5745			
2348 .....	5712				

2418 .....	5712	5745
2445 .....	5719	5745
2449 .....	5711	5745
2451 .....	5706	
2484 .....	5710	
2489 .....	5705	5745
2491 .....	5713	
2494 .....	5712	
2529 .....	5705	5745
2675 .....	5727	
2760 .....	5713	5745

### MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
2484 .....	5745		
2673 .....	5745		
2744 .....	5745		
2771 .....	5745		
2775 .....	5745		
2778 .....	5745		
2781 .....	5745		
Sen.Res.No. 95 .....	5746		
Sen.Res.No. 96 .....	5746		
Sen.Res.No. 97 .....	5746		

### INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 2785 to 2803 ..... Pages 5746 to 5749